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IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,)	
)	No. 08 CR 888
Government,)	
)	Chicago, Illinois
vs.)	
)	June 16, 2010
ROD BLAGOJEVICH,)	
ROBERT BLAGOJEVICH,)	
)	9:17 o'clock a.m.
Defendants.)	

VOLUME 9
TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE JAMES B. ZAGEL
AND A JURY

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1 (The following proceedings were had out of the
2 presence of the jury in open court:)

3 THE CLERK: Please remain seated.

4 We'll resume with the case on trial.

: 45AM

5 THE COURT: Counsel, approach the lectern.

6 MR. SCHAR: Good morning, Your Honor Reid
7 Schar, Chris Niewoehner and Carrie Hamilton on
8 behalf of the United States.

: 45AM

9 THE COURT: Other than the issue of release
10 of recordings, anything else?

11 MR. GILLESPIE: Yes, there was one additional
12 issue I would like to bring to the Court's attention
13 this morning.

: 45AM

14 It's my understanding that the government in
15 conclusion with this witness is going to play or
16 attempt to play two tapes. They are recorded
17 telephone conversations, the witness is not part of
18 the telephone conversation. It's a recorded
19 telephone conversation between Stuart Levine and
20 Mr. Pekin, I believe, on both of those telephone
21 calls.

: 45AM

22 Judge, it would be our position that those
23 calls should not be published to Mr. Pekin. There
24 is nothing that would indicate those calls in any
25 way affected or effected his state of mind and we

: 45AM

1 think it's improper to publish them through him.

2 THE COURT: The number?

3 MR. GILLESPIE: I'm sorry, Judge.

4 MR. NIEWOEHNER: Judge, it's 101 and 102,
5 Your Honor, in binder 3.

6 (Brief pause).

7 THE COURT: Okay, tell me why.

8 MR. NIEWOEHNER: Your Honor, we don't intend
9 for Mr. Aramanda to discuss the contents of the
10 call, we're just going to publish the tapes what
11 previously have been authenticated by Agent Cain.

12 They're admissible as coconspirator
13 statements. Both Levine and Pekin are conspirators.
14 Based on the evidence to date in the case, you have
15 Lon Monk stating the broader context of the four
16 people making money and he has specific
17 conversations with Chris Kelly, with Levine,
18 indicating this is one of the ways he understands he
19 is going to make money, that ties together through
20 what Mr. Aramanda is testifying to now that Rezko
21 has set himself up through this deal, he understands
22 Stuart Levine is involved, he is sharing money.

23 And I expect Mr. Aramanda is going to say he
24 had a conversation with Mr. Rezko where Rezko stated
25 to Mr. Aramanda that this was going to be spread

1 among the four, not just Rezko but Defendant
2 Blagojevich, Monk, and Kelly.

3 So the evidence demonstrates that Levine is
4 somebody that Rezko and Kelly got placed on the
5 board, they used their influence with Monk to get
6 him put there, and there is a conversation that
7 you've heard already that Pekin has with Aramanda,
8 Pekin indicates that Levine and Rezko are working
9 together on this particular deal.

10 So Pekin and Levine are both -- Levine has
11 the duty-bound services and is a member of the TRS
12 board, he is helping to steer this particular deal
13 to happen. In the context of the conversations that
14 we're going to publish, it showed that Levine is
15 talking about Rezko and Aramanda in this particular
16 deal.

17 As coconspirator statements are admissible
18 evidence, we're not going to have Mr. Aramanda talk
19 about other than publishing parts of this while he
20 is on the stand, we're not going to have him testify
21 about it.

22 THE COURT: So you're not going to ask him
23 questions like, "have you heard this"?

24 MR. NIEWOEHNER: That's correct.

25 THE COURT: So you're just going to have him

1 there as a chronological devise.

2 MR. NIEWOEHNER: Right. He would testify to
3 his own personal knowledge of events that happened
4 around the time of this, but will not attempt to
5 opine about what is being said on the call.

6 MR. GILLESPIE: Judge, briefly in response.
7 As counsel has indicated or I've indicated earlier,
8 these are calls between Levine and Pekin.

9 Mr. Levine is going to testify, he can comment on
10 the phone calls when they were made, how they were
11 made, who they were between, and the context of the
12 telephone calls. It seems that would be the proper
13 way to publish those calls as opposed to having
14 Mr. Aramanda sit up here and play a call and not
15 comment on the call.

16 THE COURT: The objection is overruled.

17 MR. GILLESPIE: Judge, one last thing. I
18 have some exhibits I plan on using with this
19 witness. I have a courtesy copy for the Court, if I
20 may tender it to your clerk? And I have a copy for
21 counsel.

22 THE COURT: The release issue of exhibits. I
23 have received a written plea not to release them
24 until the witness steps off the witness stand. Has
25 the government seen this?

1 MR. SCHAR: We saw it this morning, Judge,
2 yes.

3 THE COURT: You want to talk about it now.

4 MR. SCHAR: I disagree with some of the
5 language in there. Your Honor has actually made
6 rulings about the propriety of the redactions, but
7 putting the contents of being essentially somewhat
8 immaterial aside, the government is not taking a
9 position on this issue.

10 THE COURT: All right.

11 MS. KAESEBERG: Your Honor, Lauren Kaeseberg
12 for Rod Blagojevich.

13 Our position is that we believe that the
14 transcripts and recordings should be released after
15 the cross-examination is completed after a witness
16 is excused from the stand; we rest on the filings.

17 THE COURT: The one argument that is new in
18 the papers is that it would make it easier for a
19 witness to violate the separation order because the
20 witness could access this stuff on the Internet as
21 it's sometimes the sole source of information that
22 the witness might see. Given the nature of this
23 case, I don't think that that's a real danger.

24 It does counsel the government to reemphasize
25 the separation obligations of the witnesses. It's

1 also quite clear to me that the nature of this case,
2 that the long period of time that the investigation
3 continued, the fact that many of these witnesses
4 know each other, the fact that there was speculation
5 long before there were any formal charges that there
6 was an investigation and that witness might possibly
7 be in jeopardy, and probably a fair amount of
8 internal guessing about who was in it and who was
9 not, I don't think whatever is added by the
10 availability on the Internet of transcripts presents
11 any menace at all for the purposes achieved by a
12 separation order. So I will continue to allow the
13 release. And, of course, examination of the
14 witnesses can disclose if there has been such.

15 And I will give leave to the defense, if it
16 wishes to do so, to examine separation issues
17 outside the presence of the jury. Okay?

18 MR. GILLESPIE: Yes, Judge.

19 THE COURT: Show the jury in.

20 THE MARSHAL: All rise.

21 (The following proceedings were had in the
22 presence of the jury in open court:)

23 THE COURT: Please be seated.

24 Resume the stand, please.

25 Do you understand you're still under oath?

Aramanda - direct by Niewoehner

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1 THE WITNESS: Yes.

2 JOSEPH ARAMANDA, GOVERNMENT WITNESS

3 PREVIOUSLY SWORN

4 DIRECT EXAMINATION (resumed)

5 BY MR. NIEWOEHNER:

6 q Mr. Aramanda, when we left off yesterday
7 afternoon you had testified about a meeting you had
8 with Sheldon Pekin, do you recall that?

9 A Yes.

10 q You had testified that you had talked with
11 Sheldon Pekin about a particular transaction
12 involving a company called Glencoe Capital, do you
13 recall that?

14 A Yes.

15 q And you had talked with Mr. Pekin and you
16 understood Mr. Pekin was going to receive money as a
17 result of an investment TRS made to Glencoe Capital
18 and you discussed those funds, do you recall that
19 testimony?

20 A Yes.

21 q Now, did Pekin end up paying you money out of
22 that Glencoe Capital TRS transaction?

23 A Yes.

24 MR. NIEWOEHNER: Your Honor, may I approach?

25 THE COURT: You may.

1 BY MR. NIEWOEHNER:

2 Q I'm going to show you what's been marked
3 Government Exhibit Aramanda Check 1.

4 MR. NIEWOEHNER: Your Honor, the government
5 moves to admit Government Exhibit Aramanda Check 1
6 pursuant to a 90211 certificate.

7 THE COURT: Admitted.

8 (Government's Exhibit Aramanda Check 1 was
9 received in evidence.)

10 MR. NIEWOEHNER: May I publish, Your Honor.

11 THE COURT: You may.

12 (Exhibit published to the jury.)

13 BY MR. NIEWOEHNER:

14 Q Mr. Aramanda, what is shown by Aramanda Check 1?

15 A This is the check Sheldon Pekin issued to my
16 investment company.

17 Q Is this one of the payments that Sheldon Pekin
18 made to you?

19 A Yes.

20 Q Did he make more than one payment to you?

21 A Yes.

22 Q And can you read the date on the check?

23 A Yes, March 5th, '04.

24 Q And did you receive this check around March 5th,
25 2004?

1 A Yes.

2 Q How was -- what was the circumstances that led
3 you receiving this check?

4 A Based on earlier discussion where we discussed
5 developing a relationship where I would bring future
6 business to the table and that we would share these
7 fees or commissions and that he also had agreed to
8 start the sharing process with the fee that he was
9 receiving for the investment placed with Glencoe
10 Capital.

11 Q And you had described yesterday that you were
12 going to get these payments over several
13 installments, is that correct?

14 A Yes.

15 Q Was this one of the first installments?

16 A This is the first one.

17 Q How did you physically get the check?

18 A He called me and I went to his office and picked
19 up the check.

20 Q What did you do -- and can you tell us what is
21 the amount of the check?

22 A \$125,000.

23 Q And the check is made out to JRA Investments,
24 LLC, what is that entity?

25 A That was an entity that I mentioned yesterday

Aramanda - direct by Niewoehner

1541

1 that I owned and had a bank account also under that
2 name.

3 q what did you do with that check after you
4 received it from Mr. Pekin?

5 A I deposited it in the bank.

6 q After you deposited the check, did you tell Rezko
7 that you received the check?

8 A Yes.

9 q what did you do with the \$125,000 that you
10 received pursuant to this check?

11 A The majority of it stayed in -- I transferred it
12 to my business account, there was a portion of it
13 that Tony had asked if I would make a payment on his
14 behalf.

15 MR. NIEWOEHRER: Your Honor, may I approach?

16 THE COURT: You may.

17 BY MR. NIEWOEHRER:

18 q I'm going to you show you what's been marked
19 Nijjar Checks 1, 2 and 3.

20 MR. NIEWOEHRER: Your Honor, may we move the
21 admission pursuant to 90211 certificates?

22 THE COURT: Admitted.

23 (Government's Exhibit Aramanda Checks 1, 2 and 3
24 were received in evidence.)

25 MR. NIEWOEHRER: May I publish the checks,

1 Your Honor?

2 THE COURT: You may.

3 (Exhibit published to the jury.)

4 BY MR. NIEWOEHNER:

:00AM

5 q If you could first look at Check 1.

6 A Yes.

7 q What is the date of this check?

8 A March 11, '04.

9 q And it's made out to J. Najjar, who is J. Najjar?

:00AM

10 A That was Jacqueline Najjar who was the sister of
11 Albert Najjar.

12 q And how much was that?

13 A \$40,000.

14 q If you look at Najjar Check 2.

:01AM

15 A Yes.

16 q And what is the date of that check?

17 A March 11, '04.

18 q And, again, it's made out to J. Najjar; is that
19 the same person?

:01AM

20 A Yes.

21 q How much was this check made out for?

22 A \$10,000.

23 q Why did you write those two checks?

:01AM

24 A Tony had asked me if I would make a payment on
25 his behalf to Jacqueline Najjar who, is the sister

1 of Albert Najjar, who he had business dealings with,
2 and it's my understanding that this was some sort of
3 an interest payment.

4 q And focusing on March 11th, the date of the
5 check, about when did you have your conversation
6 with Rezko about this payment?

7 A Sometime -- several days prior to this check
8 being issued.

9 q What did Rezko say to you in that conversation?

10 A He had mentioned to me that he needed a favor and
11 if I could please write a check to Jacqueline Najjar
12 for her -- basically for her brother, interest3
13 payment, and if I could help him out, which I had
14 agreed to.

15 q Did you agree to make the payment that Rezko
16 asked you to do?

17 A The one payment, yes.

18 q And that's \$50,000?

19 A Yes.

20 q Why did you do that?

21 A I felt somewhat obligated. I mean, he introduced
22 me to Pekin and also basically introduced me to the
23 opportunity going forward to make a considerable
24 amount of income through this opportunity, so I felt
25 somewhat obligated.

1 q what did you do with the 40-thousand-dollar check
2 and the 10-thousand-dollar check that you wrote to
3 Jacqueline Najjar?

4 A I believe I sent it to her.

5 q Did both those checks clear your account?

6 A The \$40,000 did, I don't recall why but for some
7 reason, there must have been a timing issue or
8 something, the 10-thousand-dollar check did not.

9 q And turning your attention to Najjar Check 3,
10 what did you do -- or what is Najjar Check 3?

11 A When I found out that the 10-thousand-dollar
12 check for some reason didn't clear, I issued a
13 replacement check.

14 q So in total, how much of the 125-thousand-dollar
15 you got from Pekin, how much did you direct as Rezko
16 asked you to?

17 A \$50,000.

18 q You testified that you got two payments from
19 Pekin, is that right?

20 A Yes.

21 q How much was the second payment?

22 A Same amount, \$125,000.

23 MR. NIEWOEHRER: Your Honor, may I approach
24 again?

25 THE COURT: You may.

1 BY MR. NIEWOEHNER:

2 Q I'm going to show you what's been marked
3 Government Exhibit Aramanda Check 2.

4 MR. NIEWOEHNER: Your Honor, I move to admit
5 Aramanda Check 2 pursuant to 90211 certificate.

6 THE COURT: You may.

7 In the event the jury is wondering what
8 90211, it's a ruling in the federal rules of
9 evidence that allows business records to come into
10 evidence.

11 (Government's Exhibit Aramanda Check 2 was
12 received in evidence.)

13 MR. NIEWOEHNER: May I publish, Your Honor?

14 THE COURT: You may.

15 (Exhibit published to the jury.)

16 BY MR. NIEWOEHNER:

17 Q And focusing on the first page of the exhibit,
18 what does this check show?

19 A This check shows an payment to J.R.A. Investments
20 in the amount of \$125,000 from Sheldon Pekin.

21 Q And there's a date on this check, do you see
22 that?

23 A Yes.

24 Q What is it?

25 A April 27, '04.

1 q Did you receive this check around that date?

2 A Yes.

3 q Now, in your first conversation with Pekin where
4 Pekin talked to you about receiving three different
5 installments, had he described to you when those
6 installments might be paid?

7 A Yes.

8 q What did he say in that regard?

9 A My recollection that the first installment
10 would -- would be paid early March, that the second
11 installment would be paid basically the end of
12 April, and the third installment would be paid in
13 August, several months after.

14 q And did you speak with Pekin before the second
15 payment was due?

16 A Yes.

17 q Did you speak on the phone or in person?

18 A On the phone.

19 q And in relation to when you received the second
20 check, about when did you talk to Pekin?

21 A Several days to a week before.

22 q What did you say to Mr. Pekin on that occasion?

23 A I told him that I'd be back in town shortly and
24 that, you know, I'd like to meet him, and, you know,
25 I thought it would be about the time that the check

1 would be due.

2 q what was Pekin's response?

3 A He said the check wasn't going to be due at the
4 end of April, that there must have been a
5 misunderstanding, and that it would be probably due
6 some time later in the next month.

7 q Did Pekin say anything further -- or how did you
8 respond when Pekin said that?

9 A I told him maybe there was a misunderstanding but
10 I was pretty sure he mentioned the end of April.

11 q Did Pekin make any further comment?

12 A I made a comment that I remember, "what do you
13 think that Christmas comes early," something to that
14 extent.

15 q what did you understand Pekin to mean when he
16 said "Christmas comes early"?

17 A My initial reaction was that --

18 MR. GILLESPIE: Your Honor, objection.

19 THE COURT: I think I'm overruling the
20 objection as an objection to the question, but if
21 it's an objection to the way the answer started, I'm
22 sustaining it.

23 BY MR. NIEWOEHRER:

24 q Let me just rephrase the question.

25 At the time Pekin told you Christmas comes

1 early, what did you understand Pekin to mean?

2 A I thought he meant --

3 MR. GILLESPIE: Objection, Judge.

4 THE COURT: Overruled.

5 BY THE WITNESS:

6 A I thought that he meant that since I had received
7 one fee already and was about to receive another fee
8 and I had yet to actually start working with him,
9 that this was like a gift, a Christmas present.

10 q And by late April of 2004, had you done any
11 further work with Pekin to develop your potential
12 middleman business?

13 A Having no discussions with him, no.

14 q And in your conversation that day with Pekin, did
15 he agree to make the second payment immediately?

16 A No.

17 q Did you talk with anyone after you spoke with
18 Pekin?

19 A Several days later I recall having a conversation
20 with Tony and mentioned that there must have been
21 some misunderstanding with Pekin and that I was
22 expecting a check at the end of April and that Pekin
23 was under a different impression.

24 q Did you say anything about "the Christmas comes
25 early" conversation with Rezko?

1 A Yes.

2 q what did you say in that regard?

3 A He asked me how the relationship was developing
4 between Pekin and I, and I said it was developing
5 fine, that I thought I would not have problem
6 working with him in the future, I said he was a
7 little testy, he made a sarcastic remark, that it
8 was not a real deal big, and I mentioned the
9 Christmas-comes-early remark.

10 q Did you speak with Pekin again after you spoke
11 with Rezko?

12 A Yes, he called me several days later, maybe a day
13 or two later.

14 q Did you call Pekin or did he call you?

15 A He called me.

16 q what did Pekin say in that conversation?

17 A Two things, he first said that he would like to
18 get together, that he would have the check ready.
19 Second comment was, that he had mentioned the
20 Christmas remark and hoped that I didn't
21 misunderstand it in a negative way.

22 q Did you actually receive then another check from
23 Pekin?

24 A Yes.

25 q Was it around the day of the check?

1 A Around the date of the check, April 22nd.

2 Q And how did you obtain the check?

3 A I visited him in his office in Chicago.

4 Q Did you ever meet any member of Pekin's family?

5 A Yes.

6 Q Who did you meet?

7 A I met his son.

8 Q What was his son's name?

9 A Billy.

10 Q How was it that you met Billy Pekin?

11 A He was in the office down the hall from his
12 father and after I had a business meeting -- or a
13 meeting with Pekin, he invited me to lunch and we
14 stopped at to his son's office and he invited his
15 son to join us.

16 Q Why did you understand Billy Pekin attended your
17 lunch meeting?

18 A His father had mentioned to me on an ongoing
19 basis as we developed a business or working
20 relationship that he'd like to have his son be
21 involved with me.

22 MR. NIEWOEHRER: Your Honor, at this time I
23 would ask permission to publish the call at tab 101
24 in Binder 3.

25 THE COURT: Leave is granted.

1 (Tape played)

2 BY MR. NIEWOEHNER:

3 Q And, Mr. Aramanda, if you can just focus on the
4 first page of the transcript, at the very top it
5 shows that this call took place on April 26th at
6 about 8:59 in the morning, is that right?

7 A That's what it says.

8 MR. NIEWOEHNER: Your Honor, may I publish
9 the call at tab 102?

10 THE COURT: Yes.

11 (Tape played).

12 BY MR. NIEWOEHNER:

13 Q And, Mr. Aramanda, if you can look to the first
14 page of this transcript.

15 That call took place on April 26th at
16 approximately 9:13 a.m., is that what that shows?

17 A That's what it says.

18 Q Mr. Aramanda, you can put away the transcript
19 binder. Thank you.

20 Now, when you saw -- you said you went to
21 Pekin's office and picked up a check, is that
22 correct?

23 A Yes.

24 Q Did you talk to Pekin when you saw him that day?

25 A Yes.

1 q what did Pekin say?

2 A He started off by discussing the Christmas
3 comment once more.

4 q what did he say in that regard?

:15AM

5 A He basically indicated that it was not meant to
6 be a negative comment or sarcastic and that he was
7 just joking.

8 q what did you do with the second
9 125-thousand-dollar check you got from Pekin?

:15AM

10 A I deposited it into my business account in
11 Wisconsin.

12 q Did you make any payments on Rezko's behalf from
13 that particular check?

14 A No.

:16AM

15 q Did Rezko ask you to?

16 A No.

17 q Did you have another conversation with Rezko
18 after you received that second check from Pekin?

:16AM

19 A I had many, but relating to this I had probably
20 one a week or two later mentioning that I had
21 received the check.

22 q And did you have another conversation with Rezko
23 at some point talking about this potential business
24 where you would work as a middleman?

:16AM

25 A Yes.

1 q About when was that in relation to when you got
2 the Pekin second check?

3 A Approximately two weeks later, two to three weeks
4 at the most.

5 q What did Rezko say in that conversation?

6 A He started talking about, you know, what had
7 happened so far, what had transpired, going back and
8 referring to our original discussion about the
9 business opportunities in the future. And basically
10 started -- said he wanted to discuss kind of a new
11 concept with me regarding this type of opportunity.

12 q And did he describe what your role was going to
13 be in this new opportunity?

14 A Yes, he said that, you know, going forward that,
15 as he previously alluded to but even spent a little
16 bit more time discussing the magnitude, he felt that
17 by going forward with this this could be a really
18 big business opportunity and could relate to
19 multiple transactions over a number of years, and
20 that I would be an important part and play an
21 important role in this opportunity going forward.

22 q Did you understand whether Sheldon Pekin was
23 necessarily going to be involved in these
24 opportunities?

25 A It was not discussed. I assumed that he would

1 probably be in some capacity, but we did not discuss
2 it specifically.

3 q Did Rezko talk to you about how you might be paid
4 from this new opportunity?

5 A Yes, he mentioned that -- that I would receive a
6 salary of \$250,000 a year and I expressed a little
7 surprise because it seemed to be a different concept
8 to what we had talked about. And when I had
9 mentioned that I thought the opportunity was going
10 to be much bigger than that, he mentioned I would
11 probably receive a bonus based on the volume of
12 transactions.

13 q Now, when you said -- when he said you would be
14 working on a \$250,000 salary with a bonus, how is
15 that different from how you understood you were
16 going to be paid before?

17 A well, I understood it was clear with Pekin as we
18 developed a relationship and I brought business to
19 the table, that Pekin and I when the deal was
20 consumed would basically split the fees.

21 q And in context to the Glencoe Capital deal, what
22 kind of money would you make or would you expect to
23 make on that deal?

24 A \$375,000.

25 q And when Rezko earlier talked to you about the

1 size of the fees that might be generated, what had
2 he said?

3 A Well, the initial conversation was tens of
4 millions of dollars and I would say it would be much
5 bigger than that.

6 q And --

7 A Sorry, that was not the amount of fees, that was
8 the volume of the transactions.

9 q And from those transactions involving tens of
10 millions of dollars, how much had you understood the
11 fees could be?

12 A That it could easily reach \$1 million or in the
13 excess of \$1 million on an annual basis.

14 q And was that potentially a million dollars on one
15 specific transaction?

16 A Yes.

17 q And could there be more than one transaction?

18 A Yes, he anticipated that there would be more than
19 one transaction.

20 q So how did you react to Rezko's suggestion that
21 you might receive a salary of \$250,000 potentially
22 with a bonus?

23 A Well, I first pointed out to him that, you know,
24 this seemed to be a totally different arrangement
25 that he was suggesting we enter into than what we

1 previously talked about and I also understood that
2 previously, you know, there would be a relationship
3 between Pekin and I.

4 So my first question was, you know, what's
5 happening to all the other potential fees that you
6 previously alluded to that could equal or exceed
7 easily \$1 million a year.

8 q And what did Rezko say in response?

9 A Well, you know, he said that -- you know, he said
10 this is a much bigger situation, this is a lot more
11 potential. I asked him at that point in the
12 conversation did -- was he -- did he intend or was
13 he going to be sharing part of these fees also.

14 q How did Rezko respond to that question?

15 A He said that because of the size of the
16 transactions and the anticipated volume and the
17 anticipated fees being so large, that he would be
18 sharing the transaction along with others.

19 q Did Rezko indicate to you who the other people he
20 was going to share the fees were?

21 A Not initially.

22 q Did he at some point?

23 A Yes.

24 q What did Rezko say at that point?

25 A At the point I inquired in terms of, you know,

1 how many people or who was going to be involved in
2 sharing these fees, he mentioned in addition to
3 himself three other names.

4 q what other names did he mention?

5 A He mentioned Lon, Chris and Rod.

6 q who did you understand he was talking about when
7 he said Lon, Rod and Chris?

8 A Lon Monk, Chris Kelly and Rod Blagojevich.

9 q So what did you understand Rezko to be saying
10 when he indicated that the money would be split with
11 himself and those three other people?

12 MR. GILLESPIE: Objection.

13 BY THE WITNESS:

14 A I'm sorry, did somebody say something?

15 THE COURT: Yeah, there was an objection, so
16 you can stop.

17 Sustained.

18 BY MR. NIEWOEHRER:

19 q From what Rezko said, what did you understand he
20 meant when he indicated that the money would be
21 split with Rezko and these three other individuals?

22 MR. GILLESPIE: Objection.

23 THE COURT: Overruled.

24 BY THE WITNESS:

25 A I understood that he must have some arrangement

1 with the others that he mentioned and some way of
2 splitting the fees.

3 BY MR. NIEWOEHNER:

4 Q From what Rezko said, did you understand that
5 this fee splitting was going to be done in the
6 future?

7 A Yes.

8 Q Had Rezko ever talked about Monk or Kelly or
9 Defendant Blagojevich being involved in this
10 business prior to that point?

11 A No.

12 Q And from what Rezko said, why did you understand
13 that Monk and Kelly and Defendant Blagojevich were
14 going to be receiving these fees?

15 MR. GILLESPIE: Objection.

16 THE COURT: The objection is sustained.

17 BY MR. NIEWOEHNER:

18 Q From what Rezko said about splitting the fees
19 with these three other individuals, how did you
20 understand that the fees were going to be split?

21 MR. GILLESPIE: Objection.

22 THE COURT: Sustained.

23 BY MR. NIEWOEHNER:

24 Q Had you ever talked with Monk or Kelly or
25 Defendant Blagojevich about this potential business?

1 A No.

2 q Did you ever talk with any of them about your
3 work with this business?

4 A No.

5 q How did you react to what Rezko said?

6 A I was surprised.

7 q Did you -- in that meeting, did you agree to
8 share your fees with Rezko, Kelly, Monk and
9 Defendant Blagojevich?

10 A No.

11 q What did you say you were going to do?

12 A I told him I needed to think about it and that I
13 would get back to him.

14 q Did you have a subsequent conversation with Rezko
15 about that topic?

16 A Yes.

17 q And about when did that take place in relation to
18 the conversation you described?

19 A My recollection that it was probably 7 weeks
20 later.

21 q What did you say in that conversation?

22 A I told him I thought about it and, you know, for
23 I felt that I couldn't go forward and be involved in
24 that process.

25 q Did you give any reason why you didn't want to go

1 forward?

2 A Yes.

3 q what reasons did you tell to Rezko?

4 MR. GILLESPIE: Objection.

5 THE COURT: Overruled.

6 BY THE WITNESS:

7 A I told him that the business that I had in
8 Wisconsin with the Papa John's Pizza restaurants was
9 experiencing more problems financially and that I
10 felt that I needed to try to sell the business
11 before it got, you know, worse, and that it would
12 require a lot of my time and that I didn't think I'd
13 have the time to do justice to that particular role.

14 q was that, in fact, the reason that you didn't
15 want to participate in this business?

16 A Not the main reason but it was one of the
17 reasons.

18 q what were the other reasons?

19 A The other main reason, I was uncomfortable with
20 the whole situation. I thought it was wrong.

21 q why did you think it was wrong?

22 MR. GILLESPIE: Objection.

23 THE COURT: Sustained.

24 BY MR. NIEWOEHNER:

25 q Did you agree ultimately to participate in this

1 arrangement?

2 A No.

3 q Did you ever try to collect the third
4 125-thousand-dollar payment that you originally had
5 spoken about with Pekin?

6 A No.

7 q Did you try to?

8 A No.

9 q why didn't you?

10 A I didn't want to be further involved in this
11 whole situation, so I never called Pekin and asked
12 for the money.

13 MR. NIEWOEHNER: One moment, Your Honor.
14 (Brief pause).

15 MR. NIEWOEHNER: No further questions.

16 THE WITNESS: Excuse me, Your Honor, could I
17 have some water?

18 THE COURT: Get some water for the witness.
19 (Brief pause)

20 MR. GILLESPIE: Your Honor, there is a number
21 of exhibits I plan on using with this witness. May
22 I approach and tender a courtesy copy?

23 THE COURT: You may.

24 MR. GILLESPIE: Thank you.

25 CROSS EXAMINATION

1 BY MR. GILLESPIE:

2 Q Mr. Aramanda, good morning.

3 My name is Mike Gillespie and I'm one of the
4 attorneys that represents Governor Blagojevich.

5 A Good morning.

6 Q Sir, I want to back up a little bit. Over the
7 past few days you have been testifying about
8 different transactions or business deals that you've
9 been involved in with your good friend Mr. Rezko,
10 correct?

11 A Yes.

12 Q And the first deal, I believe, you told the
13 ladies and gentlemen of the jury about was you, in
14 fact, went and work for Mr. Rezko?

15 A Yes.

16 Q And not only did you go and work for Mr. Rezko,
17 you, in fact, I believe, and correct me if I'm
18 wrong, in 2001 you purchased Papa John's Pizzas from
19 Mr. Rezko?

20 A Yes.

21 Q And, sir, it's your testimony, is it not, that
22 that was a deal that you entered into to serve your
23 best interest, correct?

24 A Yes.

25 Q And it's your testimony, sir, is it not, that

1 that was a transaction that you entered into for
2 your own benefit?

3 A Yes.

4 q And that was a transaction that was done at arm's
5 length, correct?

6 A Yes.

7 q You also told the ladies and gentlemen of the
8 jury about the Kjellander loan?

9 A Yes.

10 q And I think you told us, again, that was
11 something that was done and you did for yourself, is
12 it true?

13 A Yes.

14 q You entered into that for your benefit?

15 A Yes.

16 q That's your testimony, correct?

17 A Yes.

18 q Finally, you told us about another transaction or
19 deal you had with Mr. Rezko, and that was the Pekin
20 consulting agreement that you just talked about?

21 A Yes.

22 q And, again, it's your testimony as it relates to
23 that deal that that, too, was done for your benefit,
24 correct?

25 A Yes.

1 q When you entered into it, you did it because you
2 thought you were entering into a legitimate business
3 deal?

4 A Yes.

5 q I want to back up a little bit.

6 You told the ladies and gentlemen of the jury
7 yesterday a little bit about your business
8 background. I'm going to ask you some questions
9 about that, okay?

10 A Sure.

11 q You graduated from college in 1971?

12 A Yes.

13 q What was your degree in?

14 A Business administration.

15 q And where did you graduate from?

16 A California State University, Los Angeles.

17 q And is it fair to say that when you are studying
18 business administration you are studying the
19 practice of business, correct?

20 A Yes.

21 q How to transact or how to conduct business,
22 correct?

23 A Yes.

24 q And after you graduated from college, it was a
25 four-year degree?

1 A Yes.

2 q You continued your education, did you not?

3 A Yes.

4 q You got a CPA?

:29AM

5 A Yes.

6 q What is a CPA?

7 A It's a -- stands for certified public accountant.

8 q And could you explain to us how it is you

9 achieved that or got that?

:29AM

10 A Two things primarily: You pass a test and you
11 also need to work for a period of time for a public
12 accounting firm to get certain amount of experience.

13 q And you did all that?

14 A Yes.

:29AM

15 q And that has to do with numbers and figures,
16 correct?

17 A Yes.

18 q It is very heavily dependent or relies
19 on financial documents, true?

:29AM

20 A Yes.

21 q And you continued on with your education. In
22 fact, you got a degree from Harvard Business School,
23 did you not?

:30AM

24 A That's another degree, but I attended Harvard
25 Business School for a special program.

1 q what was the program, if you could tell us?

2 A It was an executive program called Strategic
3 Marketing Management.

4 q And through the course of your education and
5 college and through your CPA, through the executive
6 program at Harvard Business School, how long was
7 that program?

8 A The Harvard program?

9 q Yes, sir.

10 A I believe it was six weeks, I'm not exactly sure.

11 q You learned a great deal about contracts, did you
12 not?

13 A Not at Harvard, but during the course of my
14 education, yes.

15 q During the course of your education you learned a
16 great deal about contracts. You learned about the
17 significance of a contract, that the contract states
18 the purposes of a contract and it tells what one
19 party is supposed to do and what another party is
20 supposed to do, correct?

21 A For the most part, yes.

22 q So besides having a formal education in business,
23 you, in fact, is it a fair statement, that most of
24 your adult life you consider yourself a businessman?

25 A Yes.

1 q In fact, when you got out of school in 1971,
2 where did you start working?

3 A Peat, Marwick, Mitchell.

4 q Could you tell the folks what that is?

:31AM

5 A Peat, Marwick, Mitchell is a large international
6 accounting firm.

7 q What did you do for that accounting firm?

8 A Initially I was in the audit department.

:31AM

9 q What did you do in the audit department? I'm
10 sorry.

11 A We audited companies' financial statements.

12 q So, of course, and correct me if I'm wrong, in
13 that job it was your job to look at the financial
14 statements of companies, correct?

:31AM

15 A Financial statements, but certainly at that lower
16 level, at an entry level, accounts that were
17 included in the financial statements.

18 q So you looked at the books, is that true?

19 A That's a fair statement.

:31AM

20 q You made sure that the books were accurate, true?

21 A Well, we looked at them to be sure what we
22 examined was accurate, yes.

23 q Yes, sir.

:31AM

24 And you made -- what was your highest
25 position you achieved at that company?

1 A I was there for two stints, two different terms,
2 and at the second term I was at a level that was
3 called supervising senior, I believe, which was
4 between what they called the senior auditor and a
5 supervisor.

6 q And that's a lot of hard work, would you agree
7 with me?

8 A Yes.

9 q And as it relates to that job, that job did not
10 entail anything about consulting?

11 A No, that's not true.

12 q What did you consult on?

13 A The second time around I was involved with the
14 consulting department of Peat, Marwick, Mitchell.
15 They had an audit department, a tax department, and
16 a consulting department, and I managed a consulting
17 project in Alaska in 1975, I believe it was.

18 q It was a bad question.

19 In the course of your employment with that
20 company, was it your job to go to, for example, the
21 State's teachers system or retirement fund and seek
22 donations? Or seek investments, I'm sorry.

23 A No.

24 q And prior to this Pekin deal that you told us
25 about, had you even had any dealings with TRS?

1 A No.

2 q Had you had any dealings with the Illinois State
3 Board of Investments?

4 A No.

5 q After Peat --

6 Peat what?

7 A Peat, Marwick.

8 q After that, you went on to Max Factor?

9 A Much later.

10 Sorry. Much later.

11 q And what did you do at Max Factor?

12 A Initially I started a department for them which
13 was a combination audit and operation review
14 function.

15 q And correct me if I'm wrong, that is a cosmetic
16 company?

17 A Yes; principally.

18 q What were the other aspects to that company?

19 A Well, besides cosmetics, fragrance and skin care
20 products.

21 q As it relates to your job with that company, you
22 become the COO, correct?

23 A No, the last position I had with them was senior
24 Vice President in charge of part of their
25 international business.

1 q Was that in Southeast Asia?

2 A Yes. The last position.

3 q The last position, I'm sorry.

4 And as it relates to that job, you had a lot
5 of dealings with contracts, correct?

6 A Not so much. Not very much at all.

7 q What did you do internationally for that company?

8 A I was involved in -- in helping manage the
9 operations that exists in Southeast Asia,
10 principally they're large company in Japan,
11 overseeing and providing guidance, establishing
12 budgets and helping direct their marketing efforts.

13 q For a cosmetic company?

14 A Yes; for their largest division, which was
15 principally, again, cosmetics, skin care, fragrance
16 company.

17 q And after that did you go to Beecham?

18 A Yes.

19 q What is Beecham?

20 A Beecham at the time was one of probably four or
21 five pharmaceutical companies in the world based out
22 of London and they also had a large consumer
23 products division, and one of their divisions was in
24 Chicago, and they recruited me to come and basically
25 run that division.

Aramanda - cross by Gillespie

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1 q And you were with that company for a number of
2 years, correct?

3 A Yes.

4 q You would agree with me, sir, that with your
5 formal education in business, most of your adult
6 life has been working for companies or acting as a
7 businessman, correct?

8 A Yes.

9 q And being involved in business transactions,
10 correct?

11 A Yes.

12 q Now, approximately 1997 or 1998, you were out of
13 work, correct?

14 A Yes.

15 q And you were out of work for how long?

16 A My recollection would be probably a short period
17 of time, maybe up to 6 months.

18 q And prior to 1996 or 1997, of course, you knew a
19 man by the name of Tony Rezko?

20 A Yes.

21 q And I think the way you characterized him
22 yesterday is he was and still is a very, very
23 close friend of yours, is that true?

24 A Yes.

25 q You met him when?

1 A I believe it was either the end of '96 or early
2 part over '97, as I recall.

3 q Not only are you friendly with him, your wives
4 are friends?

5 A Yes.

6 q Your families are friendly?

7 A Yes.

8 q You told us yesterday that you traveled
9 extensively with Mr. Rezko?

10 A I don't know -- I don't remember if I used the
11 word "extensive" but I definitely traveled a lot
12 with him.

13 q Well, you went Dubai?

14 A Yes.

15 q You went to Saudi Arabia?

16 A Yes.

17 q Lebanon?

18 A Yes.

19 q Where else did you go with Mr. Rezko?

20 A Internationally, I went to, I believe, we visited
21 France and Italy and I think the only other place
22 internationally we went to were the Bahamas.

23 q And, again, your families went on some of those
24 trips, correct?

25 A A couple of them.

1 q The last trip you were on with Mr. Rezko was in
2 2006, correct?

3 A Yes.

4 q And where was that?

5 A In the Middle East.

6 q Where at?

7 A Oh, which country did we visit?

8 q Yes, sir.

9 A We visited Jordan, Lebanon, Saudi Arabia, and
10 Dubai.

11 q You came back before Mr. Rezko, true?

12 A Yes.

13 q And when Mr. Rezko came back, he was then
14 arrested?

15 A I believe it was shortly thereafter, yes.

16 q When he got back from the trip you found that
17 shortly thereafter he was arrested?

18 A Yes. As I recall.

19 q I'm sorry?

20 A As I recall.

21 q Now, you told us that in working for Papa John's
22 you eventually made it to the position of COO, is it
23 true?

24 A Not eventually, I started out at that position
25 for him after the consulting arrangement.

1 q You started out as the COO?

2 A I started out as a consultant and then when I
3 actually joined the company started out as COO.

4 q What did your position entail as the COO?

:37AM

5 A Managing his pizza operations, the Papa John's
6 Pizza operations.

7 q Was that the entire Papa John's franchises
8 Mr. Rezko was involved in?

9 A Yes.

:38AM

10 q How many stores were those?

11 A As I recall, I believe in the 40-plus range.

12 q And sometime in -- so you were aware of -- you
13 had a good look at the books as it relates to those
14 franchises, correct?

:38AM

15 A Yes.

16 q And I think you told us that at sometime in
17 around 2001 you purchased a number of those
18 restaurants?

:38AM

19 A Not the restaurants that were in the original 40,
20 I purchased others.

21 q But you purchased Papa John's?

22 A Yes, I purchased Papa John's restaurants.

23 q You purchased them from Mr. Rezko?

24 A Yes.

:38AM

25 q And in 2001 Mr. Rezko came to you and gave you

1 that opportunity or made that available to you,
2 correct?

3 A Yes.

4 Excuse me. I actually approached him.

5 q You went to Mr. Rezko?

6 A Yes; if it was possible that I could discuss that
7 with him.

8 q And in 2002 you knew some of the restaurants were
9 under stress?

10 A Yes.

11 q But you still decided to go ahead and purchase
12 some of the restaurants knowing that, correct?

13 A Yes.

14 q And when you purchased the restaurants, Mr. Rezko
15 came to you with a price?

16 A It was negotiated.

17 q Negotiated price.

18 And I think you told us yesterday it was
19 8.4 million, but does 9.4 million sound right?

20 A If -- if you added some of the contingencies or
21 some of the possibilities going forward, it might
22 have been 9.4. I don't recall exactly.

23 q And I'm going to ask you -- and you entered into
24 a contract, of course, for these restaurants?

25 A Yes.

1 q I'm going to ask you, sir, if you would please
2 look at what's been marked Aramanda Exhibit 1.

3 A Yes.

4 q And that's titled "Asset Purchase Agreement,"
5 correct?

6 A Yes.

7 q And if you could take a second look at it and
8 just tell me when you're done. Just browse through
9 it.

10 (Brief pause).

11 BY THE WITNESS:

12 A Yes.

13 BY MR. GILLESPIE:

14 q That is an accurate copy of the contract that you
15 signed with Mr. Rezko for the purchase of these
16 properties, true?

17 A Yes.

18 q And on Page 2 --

19 MR. GILLESPIE: Judge, first, I ask that this
20 be admitted into evidence.

21 MR. SCHAR: No objection.

22 THE COURT: Admitted.

23 (Defendant Rod Blagojevich Aramanda Exhibit No.
24 1 was received in evidence.)

25 MR. GILLESPIE: Judge, I ask to publish it.

1 THE COURT: Sure.

2 MR. GILLESPIE: Thank you.

3 (Exhibit published to the jury.)

4 MR. GILLESPIE: You have to bear with me
5 here.

6 (Brief pause).

7 BY MR. GILLESPIE:

8 Q I'm going to draw your attention, sir, to
9 paragraph --

10 MR. GILLESPIE: Can everyone see that?
11 Judge, could I ask that the lights be dimmed,
12 please?

13 THE COURT: Yeah.

14 MR. GILLESPIE: Thank you.

15 (Brief pause)

16 MR. GILLESPIE: Is that better?

17 BY MR. GILLESPIE:

18 Q I draw your attention, sir, to Paragraph
19 Number 4.

20 A Yes.

21 Q And in Paragraph Number 4 it lays out the price
22 for the purchase, is that true?

23 A Yes.

24 Q And it states in the beginning of Paragraph 4 the
25 purchase price is \$9,400,000 true?

1 A Yes.

2 q And it continues on subpart of 4, number 1 and 2,
3 it talks about the way in which this \$9.4 million is
4 to be distributed or handled, is it true?

5 A Yes.

6 q The first paragraph 1 talks about an obligation
7 you have, sir, to pay Mr. Rezko \$500,000, correct?

8 A Yes.

9 q And it specifically states:

10 "... the sum of \$500,000, the receipt of which
11 by seller is hereby acknowledged."

12 True?

13 A Yes.

14 q When is it that you, sir, gave Mr. Rezko that
15 \$500,000?

16 A Ah --

17 q When did you write him the check, I'm sorry.

18 A I didn't write him a check. I wire transferred
19 some funds into his account.

20 q When you say you wire transferred some funds, how
21 did you do that?

22 A By giving the bank instructions to take the money
23 that I had in an account and wire it to one of the
24 accounts that he specified.

25 q Did you transfer the funds via straight check or

1 money? Was it a straight money transfer?

2 A As far as I know, yes.

3 q Well, not as far as you know. You were involved
4 with this, correct?

: 43AM

5 A Yeah, but I just told you I issued the bank
6 wiring instructions. Whether they send a check or
7 they direct a deposit, it's straight from my account
8 to his account.

: 43AM

9 q And this \$500,000 wasn't to purchase Rezmar food
10 stock, correct?

11 A No.

12 q For --

13 A Excuse me, Rezmar was the real estate business,
14 Rezko Enterprises was the food business.

: 43AM

15 q Okay. And this \$500,000 you say you paid to
16 Mr. Rezko, when did you pay it?

17 A If I recall, the date was sometime in 1999.

18 q When in 1999?

19 A I don't recall the exact date.

: 43AM

20 q Well, in 1999 you didn't have -- strike that.
21 You purchased these restaurants in 2001?

22 A Yes.

23 q In 1999 you're telling us you transferred
24 \$500,000 to Mr. Rezko, correct?

: 44AM

25 A It was a slightly lesser amount.

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1 q How much was it?

2 A It was over \$400,000. 400 some change.

3 q How much was it?

4 A I don't recall the exact amount. It was over
5 \$400,000.

6 q well, why did you transfer \$400,000 in cash to
7 Mr. Rezko in 1999?

8 A It was basically an agreement between he and I as
9 a loan.

10 q You loaned Mr. Rezko \$400,000?

11 A Yes.

12 q How much did you loan him?

13 A The exact amount was slightly over \$400,000.

14 q well --

15 A As I mentioned to you before, it was over
16 \$400,000. I don't remember the dollars and cents,
17 but it was over \$400,000.

18 q And what year was this?

19 A I believe 1999.

20 q what year did you stop working?

21 A when did I stop working?

22 q Yes.

23 A I believe it was '98.

24 q So you hadn't had a job for a year, correct?

25 A No, it was a short time, less than 6 months.

1 q You hadn't had a job for 6 months, correct?

2 A Probably; yes.

3 q Not probably. Is it true?

4 A I'm telling you, I thought it was less than
5 6 months. whether it's 3 months or 4 months, I
6 don't recall.

7 q And you were out of work and you went to Tony
8 looking for work or he came to you to give you a
9 job?

10 A Correct.

11 q while you were out of work, you're telling us,
12 you lent him \$400,000?

13 A It was during the time probably when I was a --
14 either at the time I was consulting for him or just
15 started working for him.

16 q When was it?

17 A In 1999.

18 q When?

19 A I don't remember the exact month.

20 q Well, when did you start working as a consultant
21 for him?

22 A In 1999.

23 q When in 1999?

24 A I believe it was spring or early summer of '99.

25 q So you start in the spring 1999 as a consultant.

1 How much were you being paid?

2 A As a consultant?

3 q Yes.

4 A I don't remember the exact amount.

: 4 6AM

5 q Give us a ballpark figure.

6 A I do remember the salary six months later and
7 when I started as chief operating officer it was
8 \$125,000 a year.

9 q Well, let's back up a little.

: 4 6AM

10 A So the amount of the consulting agreement was on
11 a pro rata basis, less than that per month, so I
12 would assume that it would be \$10,000 a month.

13 q Are you sure or do you assume?

14 A I don't recall.

: 4 6AM

15 q You had no idea how much you were being paid,
16 correct?

17 A I'm guessing it would've been less than \$10,000 a
18 month.

: 4 6AM

19 q At this time you are saying Mr. Rezko owned how
20 many Papa John's restaurant?

21 A 40 plus.

22 q And he had to borrow \$400,000 and some change
23 from you?

24 A Yes.

: 4 6AM

25 q You were being -- when you were first contacted

1 by the government in this case, sir, you were being
2 investigated for this very transaction, correct?

3 A Yes.

4 q Your documents were subpoenaed, true?

5 A I don't know.

6 q You didn't know --

7 A Well, I thought you were referring to this
8 document here.

9 q No, not this document.

10 A You'll have to be a little clearer.

11 q I'm sorry.

12 As it relates to when you were first
13 contacted by the government, it was because your
14 financial statements had been subpoenaed?

15 A Correct.

16 q You were under investigation?

17 A Yes.

18 q You were being looked at or one of the things
19 that was being looked at was this loan. Because you
20 had to take out a loan in this case, did you not?

21 A No.

22 MR. NIEWOEHNER: Objection, Your Honor, as to
23 what the government was investigating.

24 THE COURT: The objection is sustained.

25 BY MR. GILLESPIE:

1 q well, in the purchasing of these Papa John's
2 franchises, didn't you have to take out a loan?

3 A Yes, but you're jumping all over the place. You
4 were first talking about this \$500,000 and asked if
5 I took out a loan, you just assumed. If you're now
6 jumping forward to when I purchased the restaurants
7 did I take out a loan, the answer is yes. So I'm
8 not sure what you mean.

9 q All right. what I meant was when you purchased
10 the restaurants.

11 A Yes.

12 q You had to take out a loan?

13 A Yes.

14 q You took out a substantial loan?

15 A Yes.

16 q You took out a loan in, I believe, in the amount
17 of 7 and a half million dollars?

18 A That's correct.

19 q That loan you took out in the amount of 7 and a
20 half million dollars, you're aware that the
21 documents that were subpoenaed were related to that
22 loan?

23 A I don't know that for a fact.

24 q what do you know was subpoenaed by the
25 government?

1 A I know a lot of my working records subsequent to
2 the purchase of the business after 2001 were
3 subpoenaed. My checking accounts, business checking
4 accounts, payroll accounts, bank accounts, I know
5 that for a fact that those were subpoenaed.

6 q All right.

7 A And those were all after this transaction.

8 q And the 7 and a half -- this loan that you took
9 out for the purchase of these restaurants, you took
10 that from the bank, correct?

11 A GE Capital.

12 q GE Capital was the bank.

13 And that 7 and a half million dollars was
14 paid directly to Tony Rezko's outstanding debt. You
15 paid off his loan, true?

16 A I don't know.

17 MR. NIEWOEHNER: Objection.

18 THE COURT: His answer is, "I don't know."

19 BY MR. GILLESPIE

20 q You're a businessman?

21 A Yes.

22 q You told us of your vast experience in the
23 business world, true?

24 A True.

25 q And you knew, sir, that 7 and a half million

1 dollars at the closing, some \$7,500,000 was to be
2 distributed or given, correct?

3 A Yes.

4 q And it's a fair statement, is it not, being the
5 businessman that you are, that you reviewed this
6 contract before you signed it?

7 A Yes.

8 q And in reviewing the contract you knew that 7 and
9 a half million -- you had to go to the bank to get
10 that 7 and a half million-dollar loan?

11 A Yes.

12 q Are you telling us you had no understanding as to
13 where that money was going?

14 A How would I know where it was going? He could
15 pay debt, he could put it in his pocket, he could
16 distribute it to shareholders. There's a myriad of
17 things that he could do with that money. The answer
18 is, I don't know.

19 q You know Mr. Rezko got the money?

20 A Absolutely.

21 q And you're telling us you just don't know how he
22 got it or whether --

23 A No, I didn't say I don't know how he got it.

24 You're asking me what did he do with the money and I
25 answered I don't know. I know how he got the money.

1 q How did he get the money?

2 A GE Capital lent the money and it was then
3 distributed directly to him. whether he applied a
4 portion to some of his debt, I don't know what
5 happened next thereafter.

6 q well, you do know that he had some debt, true?

7 A Yes.

8 q And, in fact, I think you testified yesterday
9 that you were aware that at the time that Mr. Rezko
10 was asking you for money from the Kjellander loan,
11 his business was not doing well, true?

12 MR. NIEWOEHNER: Objection; misstates the
13 testimony.

14 THE COURT: The objection is sustained.

15 BY MR. GILLESPIE:

16 q what was your understanding of the financial
17 condition of Mr. Rezko's businesses when he took
18 money that Mr. Kjellander loaned to you?

19 MR. NIEWOEHNER: Objection; foundation.

20 THE COURT: The objection is sustained.

21 BY MR. GILLESPIE:

22 q well, the 7 and a half million was distributed,
23 true?

24 A I assume so.

25 q Okay. And the -- if you follow down on that

1 Paragraph 4, sir, there is an additional requirement
2 that you had to sign over two promissory notes to
3 Mr. Rezko, correct?

4 A Yes.

5 q And I believe the first paragraph says \$950,000?

6 A Yes.

7 q That's broken into two separate payments, is that
8 true?

9 A Yes.

10 q And there was an additional note of \$450,000,
11 correct?

12 A Yes.

13 q You paid -- do you remember paying the \$450,000
14 note?

15 A Yes.

16 q When is it that you did that?

17 A I believe it was May 2001.

18 q And the reason that you remembered that, is it
19 not, sir, is because you were shown a copy of that
20 contract? Or that note, I'm sorry.

21 A Yes, sir.

22 q Sir, I'd like you to go to Aramanda Exhibit 6 in
23 your package there.

24 when you've had -- 6, please. I'm sorry.

25 A Where does it say "6"?

1 q On the bottom.

2 A On the bottom.

3 okay.

4 q That is the note that you had to deliver at the
5 time of closing, correct?

6 A The \$450,000?

7 q Yes, sir.

8 A Yes.

9 q And it indicates on that note when it is that it
10 was paid?

11 A Yes.

12 q And that's an accurate copy, correct?

13 A Yeah, that's my signature.

14 MR. GILLESPIE: Your Honor, may I ask that
15 that be admitted?

16 MR. NIEWOEHNER: No objection.

17 THE COURT: Admitted.

18 (Defendant Rod Blagojevich Aramanda Exhibit 6
19 was received in evidence.)

20 MR. GILLESPIE: May I publish?

21 THE COURT: You may.

22 (Exhibit published to the jury.)

23 BY MR. GILLESPIE:

24 q At the bottom left hand corner it indicates May
25 of 2001, is that true?

1 A Yes.

2 q Is that your initials next to it?

3 A Yes.

4 q And you wrote that on there to indicate when the
5 payment was made, is that true?

6 A Yes.

7 q And you did that so you would have a record that
8 there was an actual payment made, true? And that
9 the note was paid?

10 A Yes.

11 q The second part of the agreement calls -- if I
12 could take you back to the exhibit that I believe
13 was Aramanda 1, sir.

14 A Yes.

15 q I ask you to look back at Page 2.

16 As it relates to the \$950,000 that you told
17 us about, did you ever make payments on that note?

18 A Not initially, no.

19 q When was it that you made payments on these
20 notes?

21 A The first time that I would have made a payment
22 on behalf of this note would have been in the fall
23 of -- September of -- or October of 2003.

24 q And where is it that that money came from?

25 A Ultimately the money came from his request on the

1 Kjellander loan, on the Kjellander loan that was
2 dated, I believe, September 30th.

3 q So prior to getting the Kjellander loan you had
4 not made payments on that second note, correct?

5 A That's correct.

6 q And it's your testimony, sir, that Mr. Rezko came
7 to you and said that you owe me this money for the
8 second -- for the 950-thousand-dollar note, is that
9 true?

10 A As I said, he didn't actually specifically relate
11 to a note, but he did have that conversation with
12 me, yes.

13 q Well, if he didn't relate to the note, what was
14 the conversation?

15 A That basically -- he referred to the fact that I
16 owed him money.

17 q Did he discuss with you what the money was for?

18 A The money that he needed?

19 q Yes.

20 A He had mentioned that he wanted me to make some
21 payments on his behalf.

22 q And you told us, sir, that the -- how much money
23 did you give him off the Kjellander loan?

24 A I believe \$461,000.

25 q But you owed him how much?

1 A 475.

2 q why didn't you pay him 475 if that was for the
3 payment on the 950-thousand-dollar note?

4 A It was never discussed why I didn't pay the extra
5 difference. He mentioned he had a list of some
6 names that he wanted me to make payments on his
7 behalf. I don't know that if he thought it totaled
8 475 or not. Ultimately it was 461.

9 q Correct.

10 So, according to you, if it was payment for
11 this note, you owed him \$14,000?

12 A That's correct.

13 q You never paid him the \$14,000?

14 A No.

15 q Well, if I could ask you to look at Aramanda
16 Exhibit Number 11, which is the promissory note.

17 I think, sir, it would be at the very end of
18 the stack, so you don't have to continue to page
19 through it.

20 A Yes.

21 q Okay. If you could take a second to look at it.

22 (Brief pause).

23 BY MR. GILLESPIE:

24 q If you could check Page 2.

25 (Brief pause)

Aramanda - cross by Gillespie

1593

1 BY MR. GILLESPIE:

2 q That is a copy of the note that was given to
3 Mr. Rezko from \$950,000, correct?

4 A Yes.

5 q And it is signed by you, true?

6 A Yes.

7 q And you're telling us that you made this payment,
8 this money that was taken from the Kjellander loan
9 and given to Mr. Rezko was for payment of this note,
10 correct?

11 A Partial payment.

12 MR. GILLESPIE: Judge, I ask the note be
13 admitted.

14 MR. NIEWOEHNER: No objection.

15 THE COURT: Admitted.

16 (Defendant Rod Blagojevich Aramanda Exhibit
17 Number 11 was received in evidence.)

18 MR. GILLESPIE: I'd ask that it be published?

19 THE COURT: You may.

20 (Exhibit published to the jury.)

21 BY MR. GILLESPIE:

22 q Anywhere on that note do you indicate that that
23 \$475,000 was paid?

24 A No.

25 q You wrote it on the first note, did you not, to

1 indicate that the payment was made?

2 A Yes.

3 q I'd ask you to look at Page Number 2.

4 Anywhere on Page Number 2 did you initial it
5 and date it and say payment was made when you
6 received the Kjellander and you made those payments?

7 A No.

8 q Now, in talking about -- well, let me back up a
9 little bit.

10 As it relates to the Papa John's pizzerias
11 that you bought, you testified yesterday that those
12 are in receivership, correct?

13 A In 2006.

14 q In 2006.

15 And the loan that you took to fulfill the
16 obligation of the note went into default?

17 A Yes.

18 q And, in fact, you owed money to the tune of
19 \$6 million, correct?

20 A No.

21 q How much do you owe?

22 A I believe after they sold some of the
23 restaurants, I wasn't involved in the transactions
24 so I don't know if they sold all or part of the
25 restaurants, but I believe in the part of the

1 restaurants that they sold there was still a balance
2 left of approximately \$3.4 million.

3 q So you only owe 3.4 million, right?

4 A Something like that.

5 q And that hasn't been paid?

6 A Correct.

7 q You told us that -- when is it that you went to
8 Mr. Rezko and told him you needed money as it
9 relates to the Kjellander loan?

10 A In August of 2003.

11 q You told him that you were in a terrible
12 financial situation?

13 A I didn't use the word "terrible," but I told him
14 I needed the money.

15 q Just prior to taking the loan out with
16 Mr. Kjellander, you took out another \$600,000 loan
17 with a man by the name of Lee, correct?

18 A Earlier; yes.

19 q How much prior to the -- strike that.

20 when did you take out the loan with Lee?

21 A I don't recall the exact date.

22 q I'm going to show you what I'll mark as Aramanda
23 exhibit I'll mark it as 12.

24 MR. GILLESPIE: Your Honor, may I approach?

25 THE COURT: You may.

1 BY MR. GILLESPIE:

2 Q Have you had an opportunity to look at that, sir?

3 A Yes.

4 Q Would that refresh your memory?

:01AM

5 A Yes.

6 Q When did you take out that loan?

7 A February '03.

8 Q I'm sorry?

9 A February '03.

:01AM

10 Q So you took another 600-thousand-dollar loan just
11 prior or a month prior to the Kjellander loan,
12 correct?

13 A Yes.

14 Q Where did that money go to?

:01AM

15 A To the business.

16 Q And as it relates to the loan you took from
17 Mr. Lee, you had to pledge certain securities, true?

18 A Yes.

19 Q You had to put up assets to secure the loan?

:01AM

20 A Yes.

21 Q And when was that note due or when was that loan
22 due?

23 A Unless I'm missing it, I don't see the term.

:03AM

24 Q So it appears that there was no term date on that
25 loan, correct?

1 A Correct.

2 q which means there is no date that you had to pay
3 it by, correct?

4 A Not specified, right.

:03AM

5 q But you did have an outstanding loan of
6 600-thousand-dollar with Mr. Lee prior to going to
7 Tony and asking him who you could borrow money from?

8 A I believe my recollection, and it's been quite a
9 while, that the note was paid off before I went to
10 Tony regarding the subsequent loan.

:03AM

11 q How did you pay that loan?

12 A By taking a second mortgage out of my house.

13 q So you had to take a second mortgage out on your
14 house to pay the loan?

:03AM

15 A To pay the Lee loan.

16 q To pay the Lee loan, true?

17 A No.

18 q It's an individual.

19 How is it you knew Lee?

:03AM

20 A Somebody introduced me to him.

21 q And why didn't you just go get the second
22 mortgage on your house first? why did you go to
23 Lee?

:04AM

24 A I think, if my memory serves me right, I needed
25 the money relatively quickly and the process with

1 the bank would take a little bit longer, and so I
2 was introduced to him and he made it available on a
3 very quick basis.

4 q You were introduced to him by who?

5 A Several people. The one person that I definitely
6 remember the name is Albert Najjar.

7 q Now, Najjar, is that the same individual that you
8 told us about earlier?

9 A Regarding the payment that was made to his
10 sister.

11 q Yes.

12 A Yes.

13 q So the same man who introduces you to Lee who you
14 get \$600,000 from, you then make payments to him on
15 behalf of Mr. Rezko, correct?

16 A About a year, a year and a half later.

17 q A year, year and a half later.

18 And when you took out the loan on your house,
19 that was to satisfy the Lee loan?

20 A Yes.

21 q And so you still owed \$600,000 even though it was
22 paid to Lee, you owed that to the bank on your
23 house?

24 A Yes.

25 q And you went to Mr. Rezko and you told him

1 that -- strike that.

2 when were you able to get the loan from the
3 bank to pay off the Lee loan?

4 A I don't recall the exact month. I would guess
5 some time probably in June.

6 q June of what year?

7 A '03.

8 q All right.

9 A I'm not 100 percent sure.

10 q And you got the Kjellander loan in October?

11 A Yes.

12 q You told us yesterday that you went to the bank
13 to get additional funds and you were unable to?

14 A I went to GE Capital, yes.

15 q And you couldn't get a loan?

16 A Yes.

17 q And then you went to Tony?

18 A Yes.

19 q why didn't you go back to Mr. Lee?

20 A Because the interest rate was exorbitant.

21 q what was the interest?

22 A 15 percent.

23 q what was the interest rate you were paying on the
24 Kjellander?

25 A 10 percent.

1 q And when you went to Tony to borrow this money,
2 it was your understanding that this money was for
3 you, correct?

4 A My intent was for me, yes.

:05AM

5 q Yes. That this money was for you?

6 A Absolutely.

7 q You explained to your very close friend the
8 financial problems you were having, true?

9 A Yes.

:05AM

10 q That you had to take out a second mortgage on
11 your house, true?

12 A Yes.

13 q That the business had bills that needed to be
14 paid, true?

:06AM

15 A Yes.

16 q And you went to your close friend and said,
17 please help me, true?

18 A Yes.

19 q And he sent to you to Kjellander?

:06AM

20 A Yes.

21 q That's a man you had never met before?

22 A No, that's not true.

23 q When did you meet him?

24 A I met him on several occasions before that.

:06AM

25 q When did you meet him?

Aramanda - cross by Gillespie

1601

1 A As I stated yesterday, I met him at Tony's house
2 at a fundraiser dinner for the Governor, and I also
3 met him at a St. Jude's charity.

4 Q Now, since you brought it up, this fundraiser at
5 Tony's house for the Governor, when was that?

6 A I don't recall the exact month. I believe it was
7 prior to the election results.

8 Q When?

9 A I don't recall the date. Whenever the election
10 was, it was prior to that. So I'm assuming the
11 election would have been around 2002, so probably
12 several months prior to the election.

13 Q Several months prior to the 2002 election?

14 A I believe so.

15 Q Oh, you're not sure?

16 A Yes, I'm absolutely not sure.

17 Q You're absolutely not sure?

18 A I'm not sure. I don't know the exact month or
19 the date. It was 7 or 8 years ago. I have no idea
20 which exact month it was in, all I do know is that
21 it happened and that I met him at Tony's house.

22 Q Well, would you be surprised to find out that
23 that event you were at Tony's house was actually an
24 Obama fundraiser?

25 A It was also an Obama fundraiser.

1 q You were at an Obama fundraiser at Tony's house,
2 correct?

3 MR. NIEWOEHNER: Objection, Your Honor.

4 THE COURT: The objection is sustained.

5 BY MR. GILLESPIE:

6 q well, back to the Kjellander loan.

7 You went to Mr. Kjellander and you told him
8 what?

9 A On the phone conversation I told him that, you
10 know, as Tony had indicated to him before, that I
11 needed to borrow some money and he had indicated
12 that he was interested in loaning the money and we
13 had a conversation to discuss the term and interest
14 payment on the note.

15 q And you told us, I believe you said, that was 10
16 percent, true?

17 A I'm pretty sure it was 10 percent, as I recall.

18 q When you went and saw Mr. Kjellander, you didn't
19 have to put up any security?

20 A I didn't go see Kjellander, but yes, you're
21 right, I did not put up any security.

22 q well, you did go to Kjellander because you signed
23 a promissory note.

24 A No, that is not true. I never said I saw him.

25 q I'm sorry?

Aramanda - cross by Gillespie

1603

1 A I never said I saw him and I didn't see him.

2 q well, there was a promissory note, correct?

3 A Yes.

4 q where did you sign that at?

:08AM 5 A I signed it in Rezmar's office.

6 q You signed it at Tony Rezko's office?

7 A Yes.

8 q And when you talked to Mr. Rezko about getting

9 this loan, of course he didn't tell you that this

:08AM 10 was being used, this loan, was being used as a tool

11 for him to get kickbacks?

12 A Absolutely not.

13 q He didn't tell you that Mr. Kjellander was

14 funneling payments to him through your loan?

:08AM 15 A No.

16 q You would have never partook in that, correct?

17 A Probably wouldn't have.

18 q would you or wouldn't you?

19 MR. NIEWOEHNER: Objection.

:09AM 20 THE COURT: Overruled.

21 BY THE WITNESS:

22 A No, if he would have stated it, I wouldn't have.

23 BY MR. GILLESPIE:

24 q As far as you know from talking to Tony, this was

:09AM 25 just a man who was going to give you a legitimate

1 loan?

2 A Yes.

3 q And Tony was your very close friend?

4 A Yes.

:09AM

5 q He was a person who you had told us you had taken
6 extensive trips with?

7 A Yes.

:09AM

8 q So if it was true that this was, in fact, a way
9 for Mr. Rezko to funnel money through Kjellander to
10 get -- I'm sorry, through you to give to Mr. Rezko,
11 that, in fact, would have been a lie by Mr. Rezko,
12 correct?

13 A Could you restate your phrasing?

14 q Yes.

:09AM

15 As far as you knew from talking to Mr. Rezko,
16 this was a legitimate loan, correct?

17 A Yes.

18 q He made no mention to you that he was using you
19 as a front man to collect --

:09AM

20 A No.

21 q -- his money?

22 A No.

23 q You would never have gone for that?

24 A If he had mentioned that, I wouldn't have.

:10AM

25 q You wouldn't have.

1 If he told you: Listen, I need you to take
2 this money because it's a kickback coming to me, you
3 would never have done it?

4 A Right.

5 Q So what I'm saying to you is, your friend, Tony
6 Rezko, lied to you.

7 MR. NIEWOEHNER: Objection, Your Honor.

8 THE COURT: It's really out of line. I don't
9 want his opinion.

10 BY MR. GILLESPIE:

11 Q It's a fair statement that Mr. Rezko didn't tell
12 you that this was a kickback coming from Kjellander?

13 A Absolutely right.

14 Q And if he would have told you that, you wouldn't
15 have done it?

16 A Right.

17 Q As it relates to this loan, you went to his
18 office to pick up a check for \$600,000, is that
19 true?

20 A No.

21 Q Where did you get this \$600,000?

22 A Kjellander either mailed it -- I believed he wire
23 transferred the money directly into my account.

24 Q And I forget -- I'm going to show you what was
25 shown yesterday, sir, which previously has been

1 admitted.

2 THE COURT: Want to stop for a second?
3 How much longer do you have.

4 MR. GILLESPIE: A bit, Judge.

5 THE COURT: We'll take a break now.

6 THE MARSHAL: All rise.

7 (The following proceedings were had out of the
8 presence of the jury in open court:)

9 THE COURT: Fifteen minutes.

10 (Recess.)

11 THE MARSHAL: All rise.

12 (The following proceedings were had in the
13 presence of the jury in open court:)

14 THE COURT: Please be seated.

15 You may resume.

16 MR. GILLESPIE: Thank you, your Honor.

17 BY MR. GILLESPIE:

18 Q Mr. Aramanda, I believe when we left off you were
19 talking about the Kjellander loan. I'm going to ask
20 you some more questions about that.

21 You told us that as it relates to the
22 Kjellander loan, of course, you didn't have to put
23 up any collateral, right?

24 A Yes.

25 Q And that was different than the loan you had with

1 Mr. Lee where you did have to put up collateral,
2 correct?

3 A Yes.

4 q That was different than the loan you had taken
5 out with GE where you had to put up collateral,
6 correct?

7 A Yes.

8 q And that was different than the loan you had with
9 your house where you had to take out a second
10 mortgage to get another loan?

11 A Yes.

12 q And did you find it strange that you didn't have
13 to put up any collateral on \$600,000?

14 A I was surprised.

15 q That, of course, was shocking that you wouldn't
16 have to put up something to get that kind of money,
17 correct?

18 A well, I did put up a personal guarantee.

19 q well, your personal guarantee is, I'll pay that
20 back, right?

21 A Yes.

22 q But when I say -- excuse me.

23 when I say put something up, I mean more than
24 your signature. I mean a house, a car, a boat.

25 A Right.

Aramanda - cross by Gillespie

1608

1 q And you told us that you got the check, correct?

2 A A wire transfer, yes.

3 q Wire transfer, I'm sorry.

4 So you got the wire transfer so the money was
5 in your bank?

6 A Yes.

7 q How many days after you got the wire transfer was
8 it that Tony Rezko, your friend, came up to you and
9 said I need you to write up some checks or pay debt
10 for me?

11 A Probably the same day or the day before.

12 q Either the same day that it was transferred to
13 your account?

14 A Yes.

15 q Do you remember when it was?

16 A No.

17 q And --

18 MR. GILLESPIE: Excuse me one second.

19 (Brief pause).

20 BY MR. GILLESPIE:

21 q Do you remember, sir, going back to this
22 collateral issue, do you remember talking to the
23 U.S. Attorneys in this matter and talking to the
24 agents in this matter, correct?

25 A Yes.

1 q And one of the dates in which you talked to them
2 was November 30th, 2009, true?

3 A If you say so.

4 q well --

5 A I don't remember the exact date.

6 q You were there a bunch of times?

7 A Several times.

8 q That sounds about right?

9 A Yes.

10 q And the agents asked you about the Kjellander
11 loan, true?

12 A Yes.

13 q And did you tell the agents when you were asked
14 about the Kjellander loan that you were not that
15 surprised that Kjellander did not request any
16 collateral because Rezko was vouching for it?

17 A I might have said that. I mean, I don't recall
18 exactly the statement, but I could've said that.

19 q All right. Are you telling us here that you are
20 surprised that he didn't ask for collateral?

21 A Yes, initially I was surprised.

22 q well, when was it that you didn't become
23 surprised?

24 A well, I mean after I thought about it for a few
25 moments I realized that they -- they had a close

1 relationship and I thought maybe that there were
2 other reasons behind it, that he was doing it as a
3 favor to Rezko.

4 q Sir, I just asked you a couple of questions as to
5 whether or not you were surprised that you didn't
6 have to put up collateral.

7 A Yes.

8 q And you told us unequivocally that, yes, you were
9 surprised, correct?

10 A Yes.

11 q Is your testimony now, sir, that after you
12 thought about it for a few minutes, that you weren't
13 surprised?

14 A After you refreshed my memory about the
15 discussions I had in November, I could see where I
16 would have said that and whether it was a moment or
17 two after or part of the same, you know, thought
18 process, I can't recall.

19 q Well, what I'm asking you, sir, is what's the
20 truth. I'm not asking what could be. Were you
21 surprised or weren't you surprised?

22 MR. NIEWOEHNER: Asked and answered.

23 THE COURT: The objection is sustained.

24

25 BY MR. GILLESPIE:

1 q You told the agents you weren't surprised,
2 correct?

3 MR. NIEWOEHNER: Objection.

4 THE COURT: The objection is sustained.

5 BY MR. GILLESPIE:

6 q well, as it relates to this loan, you said that
7 there was a promissory note that you signed, true?

8 A Yes.

9 q And it was a promissory note -- where did you
10 sign the promissory note at?

11 A At Rezmar's office.

12 q Was Mr. Kjellander present for the signing of
13 that loan or -- for that note, I'm sorry.

14 A No.

15 q Who gave you the note to sign?

16 A I believe it was Delores, Tony's administrative
17 assistant.

18 q Was Tony there at the time you signed the note?

19 A He was in the office at the time, I don't recall
20 if he was actually witnessing the signing.

21 q But he was there because you were there to talk
22 to him about this note, correct?

23 A I wasn't there to talk to him but I was there to
24 come to sign the note.

25 q Did you talk to him about the note?

Aramanda - cross by Gillespie

1612

1 A I don't recall.

2 Q What were you there to talk to him about?

3 A I was there to pick up the -- to sign the note,
4 pick up the note and sign the note.

5 Q And that was it?

6 A That was the main purpose.

7 Q And you were shown a copy of the note yesterday.

8 MR. GILLESPIE: And I'm going to ask to
9 republish, I believe it was Aramanda Government
10 Exhibit 1.

11 THE COURT: Sure.

12 (Exhibit published to the jury.)

13 BY MR. GILLESPIE:

14 Q You were asked some questions about this
15 yesterday and I'm going to ask you some more
16 questions about it.

17 If you look at the bottom of the note, it's
18 right above Page 104.

19 A Yes.

20 Q And to the very right it says "Rezko promissory
21 note," correct?

22 A Yes.

23 Q It doesn't say "Aramanda promissory note,"
24 correct?

25 A Correct.

Aramanda - cross by Gillespie

1613

1 q And Rezko got the majority of the money out of
2 this note, correct?

3 A 460,000, yes.

4 q That's the majority of the money.

5 A Yeah. Yeah.

6 q And is it your testimony, sir, that you still
7 believed that this was a legitimate loan?

8 A Yes.

9 q Well, at some point Mr. Rezko gives you a list of
10 people you are to pay on his behalf, true?

11 A Yes.

12 q When was that?

13 A I believe it was either October 1st or
14 October 2nd.

15 q When was it you got the check?

16 A I believe it was October 2nd.

17 q All right. So he either told you on the day you
18 got the check or the day before you got the check,
19 correct?

20 A Yes.

21 q And, of course, you obtaining this loan, this was
22 in the works well before the 1st or the 2nd.

23 A Yes.

24 q How many weeks prior to that?

25 A The original discussion I had with Kjellander I

1 believe was probably about a week or so prior to
2 that.

3 q Did he give you the list of people on a piece of
4 paper?

5 A No.

6 q How was it that the list was given to you?

7 A By phone through his administrative assistant.

8 q So it wasn't -- well, you were at the Rezko
9 office to sign the note?

10 A Yes.

11 q Do you remember the date of that?

12 A I believe it was September 30th.

13 q You weren't given the list on that day?

14 A No.

15 q And you went -- was it very likely on the day you
16 picked -- strike that.

17 It was either on the 1st or the 2nd, correct?

18 A That's my recollection.

19 q You remember specifically it being either the 1st
20 or the 2nd?

21 A I know it was after the 30th because the
22 following day I had a conversation with him on the
23 phone and told him that -- that the wire transfer
24 would be received in the next couple of days.

25 q So it was after you got confirmation from

1 Kjellander that he was going to given you the loan.

2 A Yes.

3 q And he told you when he was going to give you the
4 loan?

: 4 4AM

5 A within the next several days, yes.

6 q So it wasn't after you got confirmation that you
7 knew you were getting the money that Rezko told you
8 that I need you to do me a favor?

9 A Yes.

: 4 4AM

10 q And, again, you told us that this was a man who
11 you told him the financial problems you were having?

12 A Yes.

13 q Did you ask Tony: Please, let me keep this
14 money, I need it?

: 4 4AM

15 A Yes.

16 q what did he say?

17 A He understood that I had plans for it relating to
18 the business and that it was really important to me,
19 especially the larger portion of it that I had
20 designated to build a new restaurant which is the
21 most sizable portion --

: 4 4AM

22 q I don't mean to interrupt, but which portion?

23 A The estimate on building the new restaurant at
24 that time was between 300 to 325,000 dollars, that
25 was a sizable portion of it, that was the answer for

: 4 5AM

1 it.

2 So I told him why it was important and he
3 said, you know, I wish I had somewhere else to go to
4 at this point in time, but I really need you to make
5 some payments on my behalf.

6 q You knew, sir, that by you signing the note
7 that's titled Rezko note, by you signing that note
8 you were responsible for the paying back of that
9 money?

10 A Yes, but I -- I don't understand quite the
11 clarification regarding the Rezko note. That's a
12 file reminder where it could have been filed. I
13 don't understand the correlation to Rezko note.

14 q You are telling us that's a file reminder?

15 A I'm assuming that's a file reminder on the
16 bottom.

17 q You are assuming. You don't know?

18 A But I also didn't know it was a Rezko note
19 either.

20 q You didn't prepare that document.

21 A Absolutely not.

22 q You don't know what that line is?

23 A I don't know what that line is, no.

24 q But what you do know is that it says Rezko note?

25 A Yes.

1 q You are making an assumption or speculation about
2 this file saving stuff?

3 A Right.

4 q Right.

5 Now back to the note. You get a list from
6 his secretary?

7 A Yes.

8 q Do you write the list down or the information on
9 a piece of paper?

10 A Yes.

11 q How many names were given?

12 A I believe it was five. If you just give me a
13 second just to --

14 q Sure.

15 (Brief pause).

16 BY THE WITNESS:

17 A I believe it was 5.

18 BY MR. GILLESPIE:

19 q I'm going to give you some names: Al Chaib?

20 A Yes.

21 q Elie Maloof?

22 A Yes.

23 q Paul Moussa?

24 A Yes.

25 q Semir Sirazi?

1 A Yes.

2 Q And Alfred Roumi?

3 A Yes.

4 Q Those are the five people that you were told by
5 Delores that needed to be paid, right?

6 A Yes.

7 Q And you were told this on a telephone
8 conversation which is when?

9 A I believe it was on the 2nd.

10 Q And once you were given the list of names, what
11 did you do?

12 A Well, some of the names had wire account
13 information on it and I waited to confirm in the
14 next day or two that the money was actually
15 received. Where I had wiring instructions, I made
16 the wire transfers.

17 Q So for certain names, and I think you went
18 through the list yesterday as to when they were wire
19 transferred --

20 A Yes.

21 Q -- but for certain individuals you were given
22 banking information as to where you were to wire the
23 money?

24 A Yes.

25 Q And certain individuals you were not?

1 A Not initially, no.

2 q Were they all wires?

3 A Yes.

4 q When were you given the information -- which
5 people were you given the information on initially
6 that were wire transfers?

7 A I believe, and again I'm trying to recall --

8 q Sure.

9 A --- I believe it was Al Chaib, Moussa, those two
10 stick out in my mind. I'm not sure about the third
11 one which was Roumi, it might have been Roumi, and I
12 believe it came a day or so later.

13 q Of course, you had to wait for the check to
14 clear. You wanted to make sure your wires weren't
15 going to bounce.

16 A Right.

17 q As you discussed yesterday -- did you go to your
18 bank?

19 A Yes.

20 q And you went on different dates, as it appears
21 these transfers were made on different dates, true?

22 A Several days, yes.

23 q How many dates total?

24 A I don't recall. I think it was possibly three
25 different dates for the five transfers, possibly. I

1 could be mistaken, it could be an extra day.

2 q So you took time out of your day, those three
3 days, and actually went to the bank and made wire
4 transfers?

: 48AM

5 A I'm not sure I went to the bank all instances.
6 Obviously, I either went to the bank or I initiated
7 it over the phone.

8 q Well, when you go to make a wire transfer for
9 that amount, you have to go sign for that.

: 49AM

10 A Eventually you have to go sign it. I could give
11 the information, get it prepared, and then there's
12 less time involved signing the document afterwards.
13 Not after the wire transfer, but after the phone
14 conversation.

: 49AM

15 q Right. You still have to go to the bank and sign
16 for it.

17 A Yes. Absolutely.

18 q They're not just taking your phone call and say
19 go ahead and transfer this money, right?

: 49AM

20 A My recollection is, you're right.

21 q Right. You have to get in your car and drive to
22 the bank, right?

23 A Yes.

: 49AM

24 q And you did this on different days. You went to
25 the bank more than once.

1 A Yes.

2 q This was an inconvenience for you on the money
3 that was your money, true?

4 A If you call five or ten minutes of inconvenience,
5 yes.

6 q well, this is \$461,000 that you needed, correct?

7 A True, but you're making reference that I'm taking
8 time out of the day, so I'm saying if you call

9 ten minutes inconvenience, yes. The fact that I
10 wish I'd kept the money, you're right.

11 q Let me ask you this, why didn't you just write a
12 check on your account and give it to Tony and say,
13 you pay these people?

14 A I didn't ask the question.

15 q I know. I'm asking you. why didn't you do that?

16 A Because he asked me if I would make the payments
17 on his behalf.

18 q And you never said to him: Hey, Tone, this is
19 silly, why don't I just give you the check for

20 \$461,000?

21 A I thought about it. I didn't make any comments
22 about that.

23 q When did you think about it?

24 A At the time he made the request.

25 q But you didn't say anything?

1 A No.

2 q Is it a fair to say that you do whatever Tony
3 Rezko tells you to do?

4 A No.

:50AM

5 q You did in this case?

6 A Yes.

7 q You thought about writing him a check and giving
8 it to him but he told you to do something, so you
9 did it?

:50AM

10 A Yes.

11 q Okay. And as it relates to the money that you
12 sent out to Chaib--I apologize if I'm butchering
13 it--you told us he has a relationship with
14 Mr. Rezko, correct?

:51AM

15 A Yes.

16 q Mr. Maloof has a relationship with Mr. Rezko,
17 correct?

18 A Yes.

:51AM

19 q Mr. Moussa has a relationship with Mr. Rezko,
20 correct?

21 A Yes.

22 q Mr. Sirazi has a relationship with Mr. Rezko?

23 A Yes.

:51AM

24 q In fact, I think you told us of Mr. Sirazi, Tony
25 had an outstanding debt of \$66,000 a month to that

1 man, true?

2 A I don't know if it was a full amount or it was
3 one month or two months, but he mentioned that he
4 had a monthly fee that he had to pay Sirazi.

:51AM 5 q And, finally, Mr. Alfred Roumi.

6 A Yes.

7 q You wired him \$300,000 at the request of
8 Mr. Rezko?

9 A Yes.

:51AM 10 q And these were all friends of Tony's, true?

11 A Friends and/or business associates.

12 q Friends and/or business associates.

13 So as far as you know, this money was --
14 again, please correct me if I'm wrong, this money
15 was being sent to pay, you told us, Rezko debt?

:51AM 16 A As far as I knew, yes.

17 q So at least as of the date early October 2003, I
18 think you told us yesterday Rezko's finances or the
19 restaurants weren't doing so well, true?

:52AM 20 MR. NIEWOEHNER: Objection.

21 THE COURT: The objection is sustained.

22 BY MR. GILLESPIE:

23 q Well, you sent this money to pay Rezko's debt?

24 MR. NIEWOEHNER: Objection.

:52AM 25 THE COURT: The objection is sustained.

1 BY MR. GILLESPIE:

2 q Mr. Rezko told you he didn't have the money to
3 pay these people?

4 A Correct.

5 q You were never told by Tony Rezko wire transfer a
6 half million dollars, \$600,000, or one dollar, to
7 Governor Blagojevich?

8 A Are you finished? Is that a question?

9 q I'm asking you.

10 A No.

11 q Okay. You know how to do wire transfers,
12 obviously.

13 A Yes.

14 q He never gave you a wire transfer for an account
15 in Aruba and said this is the Governor's, send it to
16 him?

17 A No.

18 q The money that you got left, how much was left?

19 A \$139,000.

20 q What did you do with that money?

21 A Put it in the operating account for my business.

22 q And besides sending the money to the people that
23 you told us about, Rezko didn't tell you, give a
24 check to Patti Blagojevich at the realty company?

25 A No.

1 q He didn't say wire transfer money to any realty
2 company?

3 A No.

4 q After you wired this money on behalf of your
5 friend, Mr. Rezko, when was it -- well, strike that.

6 You were still in a terrible -- take out
7 "terrible." You were in a financial bind at this
8 point, correct?

9 A Yes.

10 q And even though you signed a note obligating you
11 to pay off \$600,000 at 10 percent, you only got
12 \$150,000 out of that?

13 A Yes.

14 q And what was your understanding as to when this
15 note was due?

16 A Well, when I had the conversation with
17 Kjellander, we had agreed that the note would be due
18 within a year and that was the term that was
19 reflected on the agreement; however, during the
20 conversation on the phone, he mentioned there's a
21 chance that he might have to request early payment.

22 q I'm sorry, he said what?

23 A He might have to request early payment.

24 q When he told you that he might have to request
25 early payment, this is a lot of money, \$600,000.

1 Did you say how early is this going to be?

2 A Yes.

3 Q What did he say?

4 A He said possibly six, it could be six months at
5 the earliest.

6 Q And when was it that you actually paid the note?

7 A The eventual payment of the note would have been
8 I believe it was in June. He requested it in April.

9 Q The actual payment was --

10 A I issued a check at the end of April; however, I
11 called him and told him to hold it, that I was not
12 able to secure the loan in time to meet the check.

13 And I called him when I did secure the loan
14 and then told him to go ahead and deposit it. So I
15 don't recall the exact date he deposited it, but I
16 believe it was in June.

17 Q I'm going to show you what I'll mark as defense
18 Aramanda Exhibit A. It's already been marked as
19 Government's Aramanda exhibit and I apologize, I
20 don't know the number.

21 MR. GILLESPIE: Judge, I don't remember the
22 number. It's already been admitted and published.
23 It's the Robert Kjellander Check dated 4/30.

24 THE COURT: What is the government number?

25 MR. NIEWOEHNER: I think it's Kjellander

1 Check.

2 THE COURT: I rather just have one number per
3 exhibit.

4 MR. NIEWOEHNER: Government Exhibit
5 Kjellander Check 1. May I publish it?

6 THE COURT: You may.

7 MR. GILLESPIE: Thank you.

8 (Exhibit published to the jury.)

9 BY MR. GILLESPIE:

10 q Now, I want you to take a look at the check.

11 MR. GILLESPIE: Everyone can see it?

12 BY MR. GILLESPIE:

13 q That is out of your JAA Enterprises account,
14 right?

15 A Yes.

16 q When is it that you set this company up?

17 A April, I believe, of 2001.

18 q I didn't hear you, I'm sorry.

19 A April, I believe, of 2001.

20 q Okay.

21 A On or about.

22 q Now, it's dated April 30th the year 2004 as the
23 date on the check, true?

24 A Yes.

25 q But I think you told us yesterday that you wrote

1 that check approximately a week before because it
2 was your hopes that within nine, ten days, whatever
3 it may be, that you were going to be able to get the
4 money to cover it, essentially?

5 A Yes.

6 q So is it a fair statement, then, that you wrote
7 this check, the one that's numbered 1985, at
8 approximately the 21st of April?

9 A It could've been. On or about that day, yes.

10 q Yeah. You said a week before.

11 And where was it that you thought you'd be
12 able to get \$625,000, approximately \$624,000,
13 624,500, within seven to eight days?

14 A I believe I had been talking to a gentleman that
15 I mentioned yesterday, Wilton, and I thought -- I
16 thought the process would be quicker than it
17 actually turned out to be. It turned out to be much
18 longer negotiations.

19 q When did you first start talking to Mr. Wilton?

20 A I don't recall the date.

21 q How about the month?

22 A I would assume it would've been April or 2004,
23 but I'm not sure.

24 q Wilton was a man that Tony introduced you to?

25 A Yes.

1 q And wilton was a man that Tony was sending you to
2 to get another \$600,000, correct?

3 A Yes.

4 q Now, you already owed \$600,000 to Mr. Lee?

5 A I believe that \$600,000 to Lee was paid the prior
6 year, I'm not sure.

7 q You don't know if it was paid?

8 A No, I definitely know it was paid, I just don't
9 know the exact month. I mentioned to you earlier
10 when you asked that question that I thought it was
11 paid in June.

12 q That was the outstanding mortgage?

13 A Yes.

14 q So you had an outstanding second mortgage,
15 correct, in the amount of \$600,000?

16 A Yes.

17 q You were now on the hook for Mr. Kjellander for
18 \$600,000, correct?

19 A Yes.

20 q And now you were going to a third man to borrow
21 another \$600,000?

22 A well, it wouldn't have been three
23 600-thousand-dollar loans. The final 600,000 that
24 you alluded to would be off the previous 600,000.

25 q Oh, I understand that, but you still would have

Aramanda - cross by Gillespie

1630

1 to get a loan to pay that off.

2 A Yes.

3 q So there would have been three loans until you
4 paid off the Kjellander.

5 A Yes.

6 q And when you talked to Mr. Wilton at your friend
7 Tony's -- he's the one who told you to go see him,
8 correct?

9 A Yes.

10 q why did you write Mr. Kjellander a check prior to
11 knowing you had the money in the bank account?

12 A when he called he had asked if it was possible
13 that he could get the payment prior to the end of
14 April. At the time I believe I thought there was a
15 chance that could happen. I wrote him a check based
16 on the conversation we had a week or ten days
17 earlier, I told him I would confirm with him if the
18 funds were available.

19 I called him back at the end of the month and
20 told him that the funds were not available and if he
21 could please hold the check.

22 q Your checks -- your checks, sir, in your checking
23 account come in sequential order, of course,
24 correct?

25 A Yes.

Aramanda - cross by Gillespie

1631

1 q And when I say that, I mean the check just prior
2 to 1985 would be 1984, correct?

3 A Yes.

4 q And the check prior to 1984 would be 1983?

5 A Yes.

6 q And when writing checks -- I'm going to take this
7 down.

8 when writing checks you go on order in your
9 bank book, you go to 1984, 1985, so forth and so on,
10 correct?

11 A I would say yes.

12 q Yeah. Sure.

13 I'm going to show you, sir, what I'm going to
14 mark as Aramanda Exhibit 12.

15 MR. GILLESPIE: Your Honor, may I approach?

16 THE COURT: You may.

17 MR. GILLESPIE: Your Honor, may I stand up
18 here for a second, please?

19 THE COURT: Sure.

20 MR. GILLESPIE: Thanks.

21 BY MR. GILLESPIE:

22 q That is a check that is out of that same checking
23 account, correct?

24 A Yes.

25 q And that is a copy of the check, correct?

Aramanda - cross by Gillespie

1632

1 A Yes.

2 q And that is the check that precedes the check you
3 wrote to Mr. Kjellander?

4 A Yes.

:02PM

5 q And the date on that check is April 30th, 2004?

6 A Yes.

7 q You're telling the ladies and gentlemen of the
8 jury that you wrote the check to Mr. Kjellander nine
9 days prior to that, correct?

:02PM

10 A My recollection is that it was about a week prior
11 to that, yes.

12 q So the check you wrote prior to the Kjellander
13 check, which was the 21st of April, is dated after,
14 it's dated April 30th?

:02PM

15 A Yes.

16 q Did you take your checks out of order?

17 A No. First of all, I didn't write either of those
18 checks, I signed the checks. So they're actually
19 written by somebody paying the bills and presented
20 to me for signature.

:03PM

21 q Okay.

22 A But that could've been written -- actually
23 written on the same day.

24 q So you -- well, they couldn't have been. I ask
25 you to take a look at this check.

:03PM

1 MR. GILLESPIE: If I may approach again?

2 THE COURT: You may.

3 BY MR. GILLESPIE:

4 q Tell me the date --

:03PM

5 A The check date on the check is April 30th '04.

6 q Correct. And who was writing your checks for
7 you?

:03PM

8 A At that time my daughter was helping me with the
9 accounts payable, so she would have prepared the
10 checks.

11 q Did you have a standing order -- this check was
12 for payment of your mortgage?

13 A G.E. Capital.

14 q Is that who your mortgage was through?

:03PM

15 A Yes.

16 q And you had to pay your mortgage, true?

17 A Yes.

:04PM

18 q And did you have a standing order with your
19 daughter that to go head and write checks but
20 post-date all of them nine or the ten days?

:04PM

21 A well, I think sometimes when she knows that the
22 bills were going to be paid in the next week or so,
23 she would not necessarily spend every single day
24 writing checks, so she might -- I'm telling you it
25 could have happened, she could have prepared a

1 week's worth of checks with the same day or
2 something.

3 q well, she could have wrote this check on the day
4 that it's signed for the date it states, April 30th,
5 correct?

6 A I doubt it. If you look on the back, it seems to
7 be cashed actually April 29th.

8 q The 29th.

9 A which probably means that she wrote it not on
10 that date but probably along about the same time
11 that the Kjellander check was written.

12 q Sir, you did not write the Kjellander check on
13 April 30th, did you?

14 A No.

15 q Right.

16 A Nor was that check written on April 30th.

17 q You didn't write any of the checks.

18 A That's what I told you.

19 q So you don't know when they were written.

20 A I have a recollection about when. You're right,
21 I don't know exactly what precise date they were
22 written.

23 q You told us that you remember -- so we're clear,
24 your daughter writes your checks, not you, correct?

25 A She prepared the checks, correct.

1 q Right. So you don't -- you're -- you've just
2 told us, you don't know when these were prepared, do
3 you?

4 A Not exactly, no.

5 q Not exactly.

6 So you don't know when that check was
7 actually signed?

8 A No.

9 q All right.

10 And the check, the Kjellander check, was not
11 cashed until when?

12 A I don't know the exact date. My recollection
13 that it was not until June.

14 q June.

15 MR. GILLESPIE: Your Honor, if I may
16 approach?

17 THE COURT: You may.

18 BY MR. GILLESPIE:

19 q Showing you the Kjellander check that you
20 previously identified.

21 Does it show on the back side of that check
22 when it was that it was cashed?

23 A June 2nd it looks.

24 q Of what year?

25 A Of '04.

1 q okay, of '04.

2 And you were aware, sir, were you not, that
3 on May 20th of '04, that there was an article in the
4 paper about Stuart Levine being investigated by the
5 authorities and that's why you predated that check
6 to Kjellander?

7 A Not at all, no. Had nothing to do with it. I
8 predated -- the check to the bank was obviously
9 predated, too, as you indicated cashed a day early;
10 has nothing to do with that.

11 q Well, you did come to find Mr. Levine was being
12 investigated?

13 A I remember reading something in the newspaper.

14 q And that happened to be right around May 20th?

15 A I have no idea.

16 q The wilton loan, when is it that you got it?

17 A I don't recall the exact date. You have the
18 agreement. I don't recall the date.

19 MR. GILLESPIE: If you could bear with me for
20 a second.

21 (Brief pause).

22 MR. GILLESPIE: Your Honor, may I approach?

23 THE COURT: You may.

24

25 BY MR. GILLESPIE:

1 q I'm sorry, I think it might be in your stack
2 there. If you could look for Aramanda Exhibit 9.

3 A Number 9?

4 q Please, sir.

5 (Brief pause).

6 BY THE WITNESS:

7 A Yes.

8 BY MR. GILLESPIE:

9 q Do you have it in front of, sir?

10 A Yes.

11 q Thank you.

12 Does it indicate the date --

13 A Yes.

14 q Sorry.

15 A Sorry.

16 q No, I'm sorry.

17 when was that?

18 A It's dated May 24th, 2004.

19 q All right. And the wilton note, if you can --

20 how many pages is it?

21 A The actual promissory note itself seems to be --

22 I think five pages.

23 One second.

24 (Brief pause.

25 BY THE WITNESS:

1 A No, it says six pages.

2 BY MR. GILLESPIE:

3 q And in addition to the note, there's a bunch of
4 attachments?

5 A Right.

6 q And the attachments that you had to put for this
7 loan, unlike the Kjellander loan, was you had to
8 pledge a massive amount of security?

9 A Yes.

10 q You had to pledge every one--and tell me if I'm
11 right--every one of your stores?

12 A I believe it was every one, yes.

13 q I'm sorry?

14 A I believe it was every one.

15 q And that was the only way in which you were able
16 to obtain this loan?

17 A Yes.

18 q You haven't paid this loan either, have you?

19 A No.

20 q How much do you owe on this loan?

21 A I -- I would guess over \$500,000.

22 q Over \$500,000?

23 A Yes.

24 q What was the interest that you had to pay on this
25 loan?

1 A I don't recall.

2 If you'd give me a second?

3 q That's okay. I'll withdraw the question.

4 And \$500,000 was approximately the amount, a
5 little less, that Tony Rezko, according to you, took
6 from you or borrowed from you, correct?

7 A On the Kjellander loan?

8 q Yes.

9 A Yes.

10 q And you took this loan out to pay the Kjellander
11 loan?

12 A Correct.

13 q Did you ever go to Tony and say: I want my
14 \$500,000 so I could pay Mr. Wilton?

15 A No.

16 q He owed you the money, correct?

17 A No.

18 q But -- well, strike that. You're right. You
19 were paying off a debt.

20 A Correct.

21 q Did you ever go to Mr. Rezko and ask him to
22 borrow money?

23 A Not at that time, no.

24 q At any time?

25 A Yes, before this.

1 q when?

2 A Before I asked him to introduce me to somebody
3 for the Kjellander loan and for the wilton.

4 q I'm talking about once the wilton --

5 A No.

6 q And you guys are very close friends?

7 A Yes.

8 q According to you, you lent him \$500,000 in 1999?

9 A over \$400,000, yes.

10 q over \$400,000.

11 And did you ask him after you secured the
12 wilton loan to borrow the money from Rezko?

13 A No.

14 q why not?

15 A Just I did not.

16 q He's your dear friend, correct?

17 A Yes.

18 q He borrowed 500,000 from you, correct?

19 MR. NIEWOEHNER: Objection; misstates the
20 testimony.

21 THE COURT: The objection is sustained.

22 BY MR. GILLESPIE:

23 q You are going to people who you barely know to
24 borrow this money. You didn't have a close

25 relationship with Mr. wilton, true?

1 A True.

2 q You didn't have a close relationship with
3 Mr. Kjellander, true?

4 A Yes.

5 q But you never asked your friend for the money,
6 true?

7 A True.

8 q I want to back up a little bit.

9 Yesterday, sir, you told the ladies and
10 gentlemen of the jury about Mr. Rezko had spoken to
11 you about possibly being you work?

12 A Actually he mentioned a Cabinet position.

13 q And a Cabinet position, what was your
14 understanding as to what that was?

15 A My understanding would have been that it was
16 various departments within the administration or
17 within the State of Illinois, heads of the
18 department, some of the key positions are sometimes
19 referred to as Cabinet positions.

20 q So you were looking for a paying position?

21 A No, I was not looking for it. He called me and
22 asked me if I was interested.

23 q Well, you told him you were?

24 A Yes.

25 q So you were considering taking a paid position

1 with the administration?

2 A I was willing to look into it, yes.

3 q And you were willing to look into the fact as
4 long as it was a Cabinet position or a hire
5 position, correct?

6 A Yes.

7 q You wanted a certain status with that position,
8 correct?

9 A No.

10 q well, you wanted a certain paycheck with that
11 position?

12 A I think that goes without saying. You look at
13 various positions and if the pay meets your needs,
14 then it's something that you would consider.

15 q what were your financial needs at that point in
16 your life?

17 A I had a business that was at that time, this was
18 earlier, that wasn't doing extremely bad, it was,
19 you know, making its meet.

20 It was something that I was willing to look
21 into. we never discussed salary. I never had any
22 idea at that point in time what a salary position
23 would paid.

24 q when you say this is early, please give me a time
25 frame.

1 A Right after the election. I mentioned yesterday
2 that the phone call came from him if I would be
3 interested looking into a possible Cabinet position,
4 that occurred after the election, I think, prior to
5 the inauguration.

6 q And are we talking about the '02 election?

7 A Yes.

8 q This is sometime early '03?

9 A Either the end of '02 after the election or very
10 early '03, yes.

11 q And you told us that your businesses weren't
12 doing terribly bad, does that mean they weren't
13 doing well?

14 A That's a fair statement.

15 q You weren't making money or you weren't making
16 enough money to sustain your life with those
17 businesses?

18 A I'm not sure I would agree with that. The
19 businesses weren't doing well, as I mentioned.

20 q Well, you had to go out and borrow \$600,000 on a
21 couple of occasions, correct?

22 A Yes.

23 q Is it a fair statement that the businesses were
24 not sustaining your lifestyle?

25 A I'm not sure that's a fair statement. I mean, I

1 hadn't thought of it that way. I think they are two
2 different issues there.

3 q well --

4 A One issue is the business doing poorly, and
5 there's another way of making ends meet personally,
6 and I think they don't necessarily correlate with
7 each other 100 percent.

8 q well, regardless, you were looking for a paid
9 position, true?

10 A No.

11 q what were you looking for again? I'm sorry.

12 A I wasn't looking for anything. He called me and
13 approached me and asked if I was interested in
14 looking into a Cabinet position of which I said I
15 would be interested in talking about it.

16 q You were interested enough that you went to talk
17 to him about it?

18 A Yes.

19 q You were interested enough to talk to him about a
20 paid position, true?

21 A Yes.

22 q And you knew that -- I think you told us that you
23 were offered a position. what was the board
24 offered?

25 A I wasn't offered a position. we discussed a

1 position on the Department of Aging.

2 q And what was your understanding as to what the
3 Department of Aging did?

4 A I didn't have a lot of information. I had no
5 previous information and there was a brief
6 discussion with Lon Monk about what it consisted of.

7 q What did it consist of?

8 A I don't recall the details.

9 q When was the conversation?

10 A The conversation, as I told you, would've been
11 somewhere between after the election and possibly
12 either right around -- up to or right around the
13 inauguration.

14 q And this was an unpaid position, true?

15 A No.

16 q What was the pay you were going to receive?

17 A I have no idea.

18 q Was it more than \$10,000?

19 MR. NIEWOEHNER: Objection, Your Honor.

20 THE COURT: The objection is sustained.

21 BY MR. GILLESPIE:

22 q Well, prior to having a conversation or you and
23 Mr. Rezko talking about your possible interest in
24 getting this board position, Mr. Rezko did not tell
25 you: Hey, you have to give the Governor \$50,000 and

1 I'll put you on this board?

2 A No.

3 Q Never had a conversation like that whatsoever?

4 A No.

:16PM

5 Q You decided that you did not have any interest in
6 this board position?

7 A Subsequently, yes.

8 Q I'm sorry, "subsequently"?

:16PM

9 MR. NIEWOEHNER: Objection; Misstates the
10 testimony. We are not talking about a board
11 position.

12 THE COURT: The objection is sustained.

13 BY MR. GILLESPIE:

:16PM

14 Q I apologize. You didn't have any interest in the
15 position that you were talking about with Mr. Monk
16 which was in the Department of Aging, correct?

17 A Right.

18 Q And why was it that you decided that you had no
19 interest in that?

:17PM

20 A There were two reasons as I think I mentioned
21 yesterday. One was that the actual department was a
22 little different than I thought based on the
23 original discussion. I thought it was going to be
24 something more business-related, possibly a bit more
25 of importance.

:17PM

1 Secondly, after it was discussed that it was
2 the Department of Aging and I really didn't have a
3 strong interest in that department, I also felt that
4 it would be difficult for me in the short period of
5 time to find either a replacement or somebody that
6 could manage my business that would allow me to, you
7 know, leave the business, so to speak.

8 q Thank you.

9 I now want to ask you a little bit about the
10 Pekin agreement that you had, okay.

11 When was it, to the best of your
12 recollection, that Mr. Rezko approached you about
13 working with Mr. Pekin?

14 A He approached me originally without mentioning
15 Pekin's name.

16 Could I discuss the concept?

17 q Yes, sir.

18 A It was the second week, middle of January,
19 somewhere about that time.

20 q And when is it that you first met with Mr. Pekin?

21 A Not until probably over a month later.

22 q So sometime early February?

23 A I would say possibly middle February, second or
24 third week.

25 q I'm sorry?

1 A Second or third week of February.

2 q Okay. And the way it was explained to you,
3 Mr. Rezko had to explain to you what an intermediary
4 was, true?

5 A Correct.

6 q You had no idea what it was, correct?

7 A That's true.

8 q And he explained to you that you would be working
9 with various state boards, correct?

10 A Yes.

11 q And you had never consulted for a state board
12 before?

13 A That's true.

14 q And did he tell you the board you would be
15 consulting for or contact with?

16 A The only one he mentioned by name was TRS.

17 q And up to that point, you never had any contact
18 with the board itself?

19 A True.

20 q He told you it would be your job or you can get
21 paid if you bring people who were looking for
22 investments to the board, is that right?

23 A Well --

24 q Or investors, I'm sorry.

25 A If I would bring, you know, reliable, after doing

1 due diligence and the research, reliable companies
2 that could make investments to the board.

3 q So the first thing he told you is, you had to do
4 due diligence. What is due diligence?

:19PM

5 A Due diligence is a combination of research and
6 investigate the companies to see what their success
7 rates are. It's basically like getting referrals,
8 finding referrals, you know, to consider if that was
9 an individual as opposed to a company.

:19PM

10 q well, so you would be required -- when you say to
11 do research, you have to make sure, it would be your
12 job as this intermediary to make sure that the
13 company that you were bringing to the board met
14 certain requirements?

:20PM

15 A Yes; fair to say.

16 q What requirements did the TRS board have for
17 these companies?

18 A I don't know.

19 q Do you have any idea?

:20PM

20 A Other than probably something that has a really
21 good track record and success, that I think would go
22 without saying. I don't know the particulars.

23 q When you say "probably," are you just guessing
24 that is what the requirements are?

:20PM

25 A I would think that's a fair statement that that

1 would be what the requirement would be, at a
2 minimum.

3 q who told you on the TRS that that was the
4 requirements that were needed, one of the
5 requirements to bring in an investor?

6 A As I think I mentioned yesterday, I never met
7 with anybody in the TRS board.

8 q So you are just speculating?

9 A Yes, I would say that.

10 q All right. And due diligence, what did you have
11 to do after you did due diligence?

12 A I don't know because I never got that far, but I
13 would think that after you've done due diligence,
14 you would make a formal recommendation, possibly
15 have meetings to discuss the recommendations in
16 order for somebody to make a decision.

17 q So when you say you never got that far, I'm
18 talking about when Mr. Rezko was explaining to you
19 what an intermediary did. The first thing you told
20 us was that you had to perform due diligence,
21 correct?

22 A Those are the words he used.

23 q He used.

24 And you had an understanding, as you just
25 explained to us, what that means?

1 A Yes.

2 q What else was it that an intermediary was,
3 relating to you, was supposed to do?

4 A I think, to my understanding, that that would be
5 principally the majority of the work that would be
6 required.

7 q So it was explained to you, sir, you had to do
8 some research on particular companies and bring them
9 to a party who was willing to invest money?

10 A Yes.

11 q How long was this discussion that you had with
12 Mr. Rezko about what an intermediary did?

13 A Very brief. Probably ten or fifteen minutes.

14 q And in this ten or fifteen minutes it was related
15 to you that you would be able to make a large sum of
16 money?

17 A Over the future, yes.

18 q Not over the future. You were told that you
19 could make a percent of each investment, true?

20 A I'm saying in the future, yes.

21 q I'm saying as an intermediary.

22 A Yes; absolutely.

23 q Right.

24 You could make -- for example, if a company
25 invested \$100 million in TRS, what would be your fee

1 on that?

2 A Probably at least a million dollars or more.

3 q Okay. So that was just on one transaction or one
4 entity that you brought to the board, right?

5 A That was the possibility, right.

6 q And the more you brought, the more money you
7 made?

8 A The more they accepted it, the more they decided
9 to go with the things that were recommended to them,
10 the more money you could make, yes.

11 q Right. The more due diligence you did, the more
12 research you did, the more work you did, the more
13 money you made, right?

14 A Possibly.

15 q If it was accepted by the board?

16 A Right.

17 q And when you had this conversation with him, were
18 you working at the time?

19 A Yes.

20 q Through the restaurants?

21 A Yes.

22 q Did you have any other work?

23 A No.

24 q And the restaurants were, as already explained to
25 us, the restaurants weren't doing very well, is that

1 true?

2 A Correct.

3 q And about a month later, Mr. Rezko comes to you
4 and says that he has a gentleman -- does he tell you
5 he would like you to meet Mr. Pekin?

6 A Yes.

7 q What else does he tell you about Mr. Pekin?

8 A He had told me that he just -- that he was just
9 involved in a transaction with TRS that apparently
10 was just consummated.

11 q I didn't hear you, I'm sorry.

12 A He had told me that Pekin -- or my understanding
13 based on what he told me is that Pekin had just
14 consummated a transaction or a deal with TRS.

15 q When you say Pekin had consummated, you mean the
16 deal was already done?

17 A Yes.

18 q And as it was explained to you by Mr. Rezko, in
19 order to get money you had to bring -- first you had
20 to do due diligence, correct?

21 A Yes.

22 q You had to do research.

23 How much research did you do as it relates to
24 the deal with Pekin?

25 A Zero.

1 q Not one minute, true?

2 A True.

3 q And he also told you that you had to bring -- one
4 of the other key components was, you had to be the
5 one responsible for bringing the people who were
6 looking for investments to the board?

7 A This is all on the initial conversation that took
8 place in January, it's true.

9 q Right. And that's what I'm talking to you about.
10 And that's when the job was explained to you, true?

11 A Yes, it was a hypothetical about the job going
12 into the future.

13 q Well, it wasn't hypothetical. He was telling you
14 what an intermediary needed to do. That wasn't a
15 hypothetical.

16 A No, but you're relating it back to the Pekin
17 transaction which was already done. That was a
18 subsequent conversation with Rezko. Two different
19 conversations here.

20 q All right. You were an intermediary for Pekin,
21 correct?

22 A No.

23 q You weren't?

24 All right. Well, what were you? What would
25 you consider yourself?

1 A The --

2 Q What did you consider yourself?

3 A I considered myself as being a potential -- a
4 future consulting partner with him.

:25PM

5 Q Well, I'm going to show you and I think you've
6 already identified it --

7 MR. GILLESPIE: But I'd ask, Judge, to
8 publish Government Exhibit 7 which is the Aramanda
9 Pekin Consulting Contract.

:26PM

10 THE COURT: Yes.

11 MR. GILLESPIE: Thank you.

12 BY MR. GILLESPIE:

13 Q The file you have in front of you that is going
14 to be Aramanda Exhibit 10.

:26PM

15 A Yes.

16 Q All right. Who is J.R.A. Investments?

17 A That's a limited liability corporation that I had
18 previously set up.

19 Q That you had set up?

:26PM

20 A Yes.

21 Q When did you set that up?

22 A I don't recall. I would imagine 6 months to a
23 year earlier. I'm not sure exactly.

:27PM

24 Q You specifically set that company up in hopes of
25 becoming an intermediary?

1 A No.

2 q why was that company set up?

3 A It was initially set up for some potential
4 investments that I was considering.

5 q what investments were those?

6 A Real estate.

7 q With who?

8 A Potentially. I had not identified anything
9 specific, I just wanted to have a company set up in
10 case I decided to pursue anything.

11 q So you went through the process of setting up a
12 company, correct?

13 A Yes.

14 q And you had to fill out the paperwork?

15 A Yes.

16 q For properties you had no idea where they were?

17 A At the time, yes.

18 q I'd like to draw attention to the first
19 paragraph.

20 And if you could tell me when you've had a
21 chance to read it.

22 (Brief pause.)

23 BY THE WITNESS:

24 A Yes.

25 BY MR. GILLESPIE:

1 q This consulting agreement is entered into the
2 28th day of February. So would that be the day,
3 sir, that you entered into the agreement with
4 Mr. Pekin?

5 A Yes.

6 q And it states that it's between you and
7 Mr. Pekin, correct?

8 A Correct.

9 q And, by the way, who was it that drew up this
10 contract?

11 A Pekin.

12 q When?

13 A I would imagine within a day or two prior to the
14 signing.

15 q Do you know?

16 A Do I know exactly? No.

17 q Okay:

18 "... to memorialize our understanding with
19 respect to various consulting services which
20 J.R.A. Investments has already performed"
21 correct?

22 A Or performs in the future.

23 q I'm sorry, I didn't mean to cut it off.

24

25 "... or agrees to perform in the future."

1 Correct?

2 A Yes.

3 q If you go to Paragraph 2:

4 "Sheldon Pekin has agreed to retain the services
5 of J.R.A. Investments for the purpose of
6 assisting Sheldon M. Pekin with identifying
7 institutional investors who may have an
8 interest in making investments in the private
9 equity and other investment funds with whom
10 Sheldon Pekin maintains a marketing
11 relationship."

12 True?

13 A True.

14 q So Paragraph 2 says that the purpose is that your
15 supposed to identify certain institutions that would
16 be of a benefit to Mr. Pekin, true?

17 A True.

18 q And as it relates to the \$250,000 that you
19 collected from Mr. Pekin, you didn't identify TRS,
20 true?

21 A True.

22 q That deal was already finished, true?

23 A Yes.

24 q When is it you collected that first check?

25 A I believe it was March 5th, I think, if the check

1 was dated --

2 q I'm sorry?

3 A I think it was March 5th, but it was within, you
4 know, a week or ten days after this agreement.

:30PM

5 q So the check that you received was after you
6 signed the terms -- or you signed the consulting
7 agreement, correct?

8 A Yes.

:30PM

9 q which spelled out the terms what you were
10 supposed to do in order to get paid, correct?

11 A Yes.

12 q All right. And you've already told us that you
13 took classes at Harvard Business School, true?

14 A True.

:30PM

15 q You had a business agree in business
16 administration, true?

17 A True.

18 q And your entire adult life was in the area of
19 business, true?

:30PM

20 A Yes.

21 q So you are a man who was aware of the importance
22 of the wording of contracts, true?

23 A Yes.

:30PM

24 q Because when you signed that contract, that is
25 what you are agree to, correct?

1 A Yes.

2 q Okay.

3 MR. GILLESPIE: Judge, I had a little longer
4 to go than I initially thought if you wanted to
5 break.

6 THE COURT: How much longer do you think you
7 have?

8 MR. GILLESPIE: An hour, hour and a half.

9 THE COURT: We'll break now.

10 One hour recess.

11 THE MARSHAL: All rise.

12 (The following proceedings were had out of the
13 presence of the jury in open court:)

14 THE COURT: You can step down.

15 (Luncheon recess.)

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Aramanda - cross by Gillespie

1661

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,

Government,

vs.

ROD BLAGOJEVICH,
ROBERT BLAGOJEVICH,

Defendants.

No. 08 CR 888

Chicago, Illinois

June 16, 2010

1:45 o'clock p.m.

Volume 9

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE JAMES B. ZAGEL

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1 THE MARSHAL: All rise.

2 (The following proceedings were had in the
3 presence of the jury in open court:)

4 THE COURT: Please be seated.

5 JOSEPH ARAMANDA, GOVERNMENT WITNESS,

6 PREVIOUSLY SWORN

7 CROSS EXAMINATION (resumed)

8 BY MR. GILLESPIE:

9 Q Mr. Aramanda, I think where we left off is, we
10 were talking about the consulting agreement you
11 signed with Mr. Pekin, correct?

12 A Yes.

13 Q And you signed that -- do you remember the date
14 you signed it?

15 A 28th of February of '04.

16 Q Okay. And how many days was it before you went
17 and picked up a check for \$125,000?

18 A Almost a week.

19 Q You had to wait a whole week to get that
20 \$125,000?

21 A A week.

22 Q A whole week.

23 And you didn't work for one minute, correct?

24 A Correct.

25 Q Okay. Now, let's go back to Paragraph 2 of the

1 consulting agreement where it says -- I think where
2 we left off, we went through two-thirds of the
3 paragraph but I want to draw your attention to the
4 last sentence, it talks about:

5 "... other investment funds with whom Sheldon M.
6 Pekin maintains a marketing relationship ..."
7 do you see that?

8 A Yes.

9 q what was your understanding as to what that
10 meant?

11 A I understood that in addition to Glencoe Capital,
12 that he had other funds that he had a relationship
13 with.

14 q what were the names of those funds?

15 A I do not know.

16 q But this is a man who you had a consulting
17 agreement with, correct?

18 A Yes.

19 q And, according to you, told us when we began that
20 this was, according to you, a legitimate business
21 opportunity, correct?

22 A Yes.

23 q This was not you funneling money for your friend
24 Tony Rezko, correct?

25 A Correct.

1 q And you can't tell us the name of one other
2 relationship that he had with an investment fund?

3 A No, as I told you earlier, as I stated yesterday,
4 this whole opportunity was based on future -- on
5 future developments with contacts and with potential
6 investment funds, not the present day or two or a
7 week or so that you're alluding to.

8 q We'll talk about that, but my question to you is,
9 you cannot name --

10 A No, I can't.

11 q All right. And the contract--and you told us
12 about your familiarity with contracts and the
13 significance of contracts--the contract talks about
14 other investment funds with whom Sheldon Pekin
15 maintains a marketing relationship, correct?

16 A Correct.

17 q That's part of the contract, true?

18 A True.

19 q That's part of the contract that you signed,
20 true?

21 A True.

22 q And how long is it that you worked -- well, I
23 won't use the word "worked," how long is it that you
24 were associated with Mr. Pekin after the signing of
25 this contract?

1 A In its entirety?

2 q Up until picking up the second check.

3 A After the second check, the second check was
4 about the last meeting or discussion that we had.

:49PM

5 q I'm sorry, approximately when was that?

6 A End of April, '04.

7 q And so that is approximately 60 days?

8 A Yes.

:49PM

9 q And in 60 days you didn't learn one other fund's
10 name, correct?

11 A Correct.

12 q You didn't go talk to one other individual or one
13 other fund that Mr. Pekin maintained a marketing
14 relationship with?

:49PM

15 A Correct.

16 q I'd like to draw your attention to the
17 Paragraph 3, sir.

18 And the first sentence states that you agree:

:50PM

19 "... to introduce Pekin or to attempt to
20 introduce Pekin to various institutional
21 investors whom J.R.A. Investments may be
22 interested in exploring investment
23 relationships with Sheldon Pekin."

24 Do you see that?

:50PM

25 A Yes.

1 q The first sentence, tell us or tell the ladies
2 and gentlemen of the jury how many other
3 institutions you attempted to introduce to
4 Mr. Pekin?

5 A Zero.

6 q Tell the ladies and gentlemen of the jury how
7 many you actually introduced to Mr. Pekin?

8 A Zero.

9 q It goes on to state that J.R.A. Investments --
10 and you are J.R.A. Investments, is that true?

11 A That's correct.

12 q Are there other people or employees you had at
13 that company?

14 A No.

15 q That entity is you and yourself?

16 A Yes.

17 q Okay. It says that:

18 "J.R.A. Investments shall also perform any other
19 reasonably related consulting services that
20 Sheldon Pekin may request."

21 Do you see that?

22 A Yes.

23 q What consulting services did you do on the
24 Glencoe deal?

25 A The Glencoe deal was over. It was completed.

1 q It was completed.

2 So I guess -- let me ask you the question
3 again: what consulting services did you do on the
4 Glencoe deal?

5 A Nothing.

6 q And the Glencoe deal is the deal in which you
7 collected \$250,000, true?

8 A Correct.

9 q And finishing up that paragraph, sir, it says:

10 "... Sheldon M. Pekin may request J.R.A.
11 Investments, LLC., such time to be activities
12 as requested by Sheldon M. Pekin."

13 How much time did Mr. Pekin ask you to spend
14 on the Glencoe deal?

15 A As I mentioned, the Glencoe deal was consummated,
16 so the Glencoe deal was completed.

17 q So is the answer "none"?

18 A None.

19 q And in the life of this agreement or the term of
20 this agreement that you signed with Mr. Pekin was
21 2 years, true?

22 A Yes.

23 q What was the percentage of the fees that you were
24 supposed to get?

25 A Half of the fees that Pekin got.

1 q Well, what were the fees that Pekin charged?

2 A I understood it was 2 percent.

3 q And how did you understand that?

4 A Because I was -- we discussed that we would

5 receive half and what is stated in here is

6 1 percent, so my understanding is that he received 2
7 percent.

8 q Okay, just based upon the fact that the contract

9 calls for you to receive 1, you just assume that was

10 it, correct?

11 A Correct.

12 q You assumed that was half?

13 A Correct.

14 q All right, let's go to paragraph 5:

15 "... in consideration for J.R.A. Investments."

16 Now that means -- "consideration" means that
17 you get paid, true? That's what consideration is?

18 A Yes.

19 q So, in other words, you shall get paid:

20 "... payable solely as a percentage of total
21 investment funds committed to Pekin clients by
22 institutional investors introduced ..."
23 through you, right?

24 Right?

25 A Yes.

1 q The contract calls for you to get paid to
2 actually introduce the institutions to the fund,
3 true?

4 A Yes.

5 q And in talking about the \$250,000 you made, you
6 didn't introduce anybody, true?

7 A True.

8 q Now --

9 MR. GILLESPIE: Judge, if I could have one
10 moment? I'm sorry.

11 THE COURT: Sure.

12 MR. GILLESPIE: Thank you.

13 (Brief pause).

14 MR. GILLESPIE: Judge, may I approach?

15 THE COURT: You may.

16 MR. GILLESPIE: Thank you.

17 BY MR. GILLESPIE:

18 q Sir, I'd ask you to go to tab 101, please.

19 A Yes.

20 q And that is -- you heard that conversation played
21 earlier, that?

22 A Yes.

23 q That is a conversation between Stuart Levine and
24 Mr. Pekin, is that true?

25 A Yes.

1 q You weren't a party to that conversation,
2 correct?

3 A No.

4 q I draw your attention to Page 2 line 13 through
5 18, and if you can just let me know when you have
6 had an opportunity to read it.

7 (Brief pause).

8 BY THE WITNESS:

9 A Yes.

10 BY MR. GILLESPIE:

11 q Line 13 through 18 Mr. Levine is telling
12 Mr. Pekin that Tony is not going to -- will not do
13 business with him anymore, correct?

14 A That's what it states.

15 q And Tony, it's your understanding, that's Tony
16 Rezko, correct?

17 A Yes.

18 MR. NIEWOEHNER: Objection, Your Honor.

19 THE COURT: The objection is sustained.

20 BY MR. GILLESPIE:

21 q Well, you met Mr. Pekin -- strike that.

22 In regards to this consulting agreement, Tony
23 Rezko brought this to your attention, true?

24 A Brought -- Tony Rezko introduced me to Pekin, I
25 gave him his phone number.

1 q Right. And Tony Rezko first came to you and
2 said, hey, there is a way in which you could make
3 money?

4 A Correct.

5 q And Tony Rezko was the one who said, call this
6 man, Pekin?

7 A Yes.

8 q All right. It doesn't say there, sir, that the
9 Governor is going to do business, does it?

10 MR. NIEWOEHNER: Objection.

11 THE COURT: The objection is sustained.

12 BY MR. GILLESPIE:

13 q Thank you, sir. Thank you for looking at that.

14 A You're welcome.

15 q Now, when were you first advised that you could
16 come pick up your check?

17 A When Pekin called me.

18 q And how many days was that after the signing of
19 the contract?

20 A Less than a week. The date of the check was
21 March 1st, so it's between February 28th and
22 March 5th.

23 q So March 5th was the date you got the call --

24 A No, the call would have been sometime between
25 that.

1 q He gave you some advance notice that you, in
2 fact, were going to be able to pick it up in a
3 couple of days, is that a fair statement?

4 A I don't recall.

5 q And you went and you picked up the check for
6 \$125,000, true?

7 A Yes.

8 q And you deposited it into your account?

9 A Yes.

10 q At that point did your friend, Tony Rezko, ask
11 you to write some checks?

12 A Not at that point but shortly thereafter he asked
13 me to write one check.

14 q And who was that to?

15 A Jacqueline Najjar.

16 q Well, isn't it a fact, sir, that Mr. Rezko also
17 asked you to write a check in the amount of \$10,000
18 to Friends of Obama?

19 A Not at that time.

20 q When did he ask you to do that?

21 A I don't recall, but I don't recall any
22 relationship to this particular check.

23 q Well, do you remember speaking to the agents in
24 this case?

25 A Yes.

1 q And when you -- let's talk about that for a
2 second. How many times have you spoken to the
3 agents in this case?

4 A I'm not sure exactly. I think three or four.

5 q Three or four times. And in the three or four
6 times not only were these agents there, the U.S.
7 Attorneys were there?

8 A It was primarily with the U.S. Attorneys.

9 q Which U.S. Attorneys who are at this table were
10 there?

11 A Mr. Niewoehner.

12 q It was just Mr. Niewoehner?

13 A I don't think that -- I don't know the gentleman,
14 I'm not sure. The gentleman right behind, he was
15 there briefly for one moment, I believe, in the
16 first or second meeting, but he was not present at
17 any other time.

18 q All right. And during the course of these
19 meetings that you had with them, sir, they asked you
20 specific questions about checks you wrote?

21 A Yes.

22 q And not only did they ask you questions about
23 checks you wrote, they, in fact, prepared you to
24 testify here today, true?

25 A We had discussions, yes.

1 q When you say you had discussions, they told you
2 the questions they were going to ask?

3 A Most of them, yes.

4 q Most of the questions.

5 what were the questions?

6 A They went over questions.

7 q Did they also go over the questions you were
8 going to be asked by defense attorneys on
9 cross-examination?

10 A I don't know how they would know that.

11 q I'm sorry?

12 A I said I don't know how they would know your
13 questions.

14 q well, did they ask you questions as though it was
15 cross-examination?

16 A That's a different question. And the answer is
17 yes.

18 q Okay. How much time did they spend going over
19 your questions for cross-examination?

20 A In comparison of the overall time that I spent,
21 probably three or four meetings, I'd say less than 5
22 percent of the time.

23 q That's a good point.

24 what is the overall time you spent --

25 A Three or four meetings that I had --

1 q If I can finish.

2 A I'm sorry.

3 q What was the overall time you spent with those
4 agents and with the U.S. Attorney's Office?

:00PM

5 A I'm not sure if it was three or four times, but
6 each meeting lasted, on the average, of about 3 and
7 a half to 4 hours.

8 q And in one of the meetings you had was
9 November 30th the year 2009, true?

:00PM

10 A Yes.

11 q And again --

12 A I mean, as far as I know it was around that date.

13 q Around that time.

:01PM

14 And you were asked specifically about certain
15 checks that you wrote, true?

16 A Yes.

17 q And were you -- you told the agents that, did you
18 not, sir --

:01PM

19 A Excuse me. You keep referring to "agents." I
20 told you it was U.S. Attorneys.

21 q Thank you very much. I apologize.

22 You told the U.S. Attorneys on that date that
23 in fact you wrote a 10-thousand-dollar check to
24 Friends of Obama at Mr. Rezko's request, true?

:01PM

25 A Yes.

Aramanda - cross by Gillespie

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1 q And that was done four days after you picked up
2 the first check, true?

3 A I don't remember the exact date, but it sounds
4 about the right time period.

5 q So on direct examination you were asked about a
6 check that you wrote on behalf of Mr. Rezko to
7 Jackie Najjar, do you remember that?

8 A Yes.

9 q And that was the only check you were asked about,
10 correct?

11 A Yes.

12 q And that was the amount of \$50,000, correct?

13 A Yes.

14 q And you were also asked by your friend Tony to
15 write an additional check for \$10,000?

16 A Yes.

17 q The check that you wrote to Mr. Najjar, when did
18 you write it?

19 A I don't recall what the date on the check was.
20 We discussed it this morning, I believe, but I don't
21 recall the date.

22 q How many days after you picked up your check for
23 \$125,000?

24 MR. NIEWOEHNER: Objection.

25 THE COURT: The objection is sustained. You

1 might want to alter the nature of the question.

2 MR. GILLESPIE: Yes, sir.

3 BY MR. GILLESPIE:

4 Q You would agree that you cut a check at the
5 request of Mr. Rezko to Mr. Najjar?

6 A Yes.

7 Q You don't know the exact date, correct?

8 A It was shortly thereafter. No, I don't remember
9 the exact date. I looked at it this morning, you
10 showed me the check, I just don't remember the date
11 of the check.

12 Q I'm sorry, when you say I showed you the check --

13 A Either yesterday or today that was presented, I
14 believe, into evidence and I looked at that check
15 and I said that I signed that check and I just don't
16 recall the exact date that the check was written.

17 Q All right. Do you know how it is -- or do you
18 know if Tony knew you had picked up the check for
19 \$125,000?

20 A Yes.

21 Q How do you know that?

22 A I had a conversation with him.

23 Q Can you tell us when that was?

24 A Within several days after I picked up the check.

25 Q And immediately upon telling Mr. Rezko that you

1 received these funds, these \$125,000, he once again
2 had you write checks out of your account?

3 A Within several days he asked me, yes.

4 Q Now, were these wires or were these checks?

5 A It was a check, two checks totalling \$50,000.

6 Q Two checks?

7 A Yes, we discussed that this morning. It was a
8 40,000 check and a 10-thousand-dollar check.

9 Q You have to forgive me, I forgot.

10 A No, that's all right. I forgot the previous
11 date.

12 Q The first check you wrote was for \$40,000?

13 A No, I think they were simultaneously on the same
14 day. I'm not sure, but I thought they were on the
15 same day.

16 Q You also told us he asked you to write an
17 additional check for Friends of Obama, was that the
18 same day?

19 A No, I didn't say that. Earlier this morning I
20 didn't tell say that he asked me to write a check to
21 Obama.

22 Q Did you just tell us now you did?

23 A That's different, yes, but in the conversation
24 that you were referring to, my testimony was that he
25 asked me to write a check on his behalf and that was

1 to Najjar.

2 q So, in total, out of this first \$125,000 you
3 received, you were asked to write three checks?

4 A No, I was not.

5 q Well, did you just tell us you wrote a
6 10-thousand-dollar check to Najjar?

7 A Yes.

8 q Did you just tell us you wrote \$40,000 check to
9 Najjar?

10 A Yes.

11 q Did you write a 10-thousand-dollar check to
12 Obama?

13 A Yes, but that's a different question and that's
14 not how I answered the question. You asked me: Did
15 he tell you to write a 10-thousand-dollar check out
16 of this \$125,000 to Obama and the answer is no.

17 q Did he ask you to write a check after he heard
18 you got \$125,000?

19 A It was not in the same conversation and not part
20 of it.

21 q When was it?

22 A After that.

23 q When?

24 A I don't recall. It was several days to a week
25 maybe after that. I don't remember the exact date.

1 q All right. So you already told him you received
2 the 125,000, true?

3 A Yes.

4 q Okay. In regards to the money that you wrote the
5 checks for, what was your agreement or understanding
6 as to when you were going to get that money back?

7 A Which money?

8 q Let's start with \$10,000 for Friends of Obama.

9 A I wasn't sure.

10 q well --

11 A I mean --

12 q Go ahead.

13 A No, I'm sorry.

14 q No, go ahead.

15 A I wasn't sure exactly the time.

16 q Again, financially, you were having a hard time,
17 true?

18 A Yes.

19 q And \$10,000, you would agree with me, is a lot of
20 money?

21 A Yes.

22 q And it wasn't your concern and you didn't ask him
23 when you would be getting that \$10,000 back?

24 A Not precisely, no.

25 q Not precisely --

1 A I did not say am I getting it back in a day or
2 two days or a week, to that extent, no.

3 q To what extent did you ask him?

4 A I had mentioned that obviously \$10,000 was hard
5 to part with, but we never discussed exactly payment
6 or anything like that.

7 q Well, you said \$10,000 was hard to part with.
8 You wanted it back?

9 A I inferred that I wanted it back, yes.

10 q You inferred or you told him you wanted it back?

11 A Possibly.

12 q Possibly what?

13 A I don't recall the exact conversation exactly.

14 q Well, the check to Mr. Najjar, the two checks --

15 A To his sister.

16 q His sister, I apologize.

17 In writing these checks, did you ask Tony:
18 Tony, why don't I, if you need to borrow some money,
19 why don't I just give you \$60,000 and you cut the
20 checks to whoever you want to?

21 A I didn't ask that.

22 q Why not?

23 A Didn't think of asking that at the time.

24 q Did you ask him how come you're writing the
25 checks?

1 A No.

2 q Didn't cross your mind?

3 A No.

4 q Did you think you were acting as a front man for
5 Mr. Rezko on a kickback at this point?

6 A Absolutely not.

7 q Because if you did, if you knew that, according
8 to you, you wouldn't have engaged in this activity,
9 correct?

10 A Correct.

11 q So you would agree with me that if that's what
12 happened, Mr. Rezko lied to you?

13 MR. NIEWOEHNER: Objection.

14 THE COURT: You know, I don't want to get
15 into lying by omission, I don't want an opinion
16 about lying. The jury can hear the testimony, the
17 jury reaches a conclusion about who, if anybody,
18 lied or forgot or misremembered. I don't want the
19 witness usurping the role of the jury.

20 MR. GILLESPIE: Sorry, Judge.

21 THE COURT: So don't ask the witness to reach
22 conclusions about whether somebody else lied.

23 MR. GILLESPIE: Yes, Judge.

24 THE COURT: It's a conclusion of somebody
25 else's mental state.

1 MR. GILLESPIE: Yes, sir.

2 THE COURT: That's for them, not for you.

3 MR. GILLESPIE: Yes, sir.

4 May I proceed?

:08PM 5 THE COURT: You may proceed.

6 BY MR. GILLESPIE:

7 q The second check, sir, was picked up -- is it
8 4/27, does that sound about right?

9 A Yes.

:08PM 10 q And you had some problems getting that check,
11 true?

12 A Yes.

13 q What were the problems?

:08PM 14 A The problems was that apparently there was a
15 misunderstanding when the check was going to be
16 issued.

17 q Was it Tony's misunderstanding?

18 A No, it was between me and Pekin.

19 q Did you tell Tony about it?

:08PM 20 A Yes.

21 q And the reason you told Tony about it was because
22 you wanted Tony to get the money, true?

23 A No.

24 q Why did you tell Tony?

:08PM 25 A He called me or I called him, I don't recall, but

1 we had a phone conversation several days a day or
2 two after I had spoken with Pekin. He asked me how
3 things were going, how my relationship with Pekin
4 was developing, and he had already known based on
5 the previous conversation that I was expecting a
6 second check at the end of April and asked me if I
7 received it and I told him about the
8 misunderstanding we had.

9 Q So, again, Tony had asked you if you had received
10 that second check?

11 A Yes.

12 Q And soon after telling him you did not, you were
13 able to get the second check, true?

14 A Yes.

15 Q And when you went--and there was a tape played
16 this morning--but when you went and picked up the
17 check, Mr. Pekin said to you something to the effect
18 of the fact that Christmas has come early, do you
19 remember that?

20 A That's not exactly how it happened, no.

21 Q Well, tell us how it happened.

22 A It happened in a phone call that I had with Pekin
23 preceding the time you're talking about. As I
24 stated on the phone call, when I mentioned to him is
25 the check ready, and my understanding that the check

1 would be ready at the end of April, he said that it
2 was not supposed to be ready the end of April, it
3 was supposed to be ready at some later date, that's
4 when he made that comment --

5 q And --

6 A -- not when I met with him.

7 q I'm sorry?

8 A Not when met with him.

9 q In asking you that Christmas has come early, he
10 was telling you you were getting a gift?

11 MR. NIEWOEHNER: Objection.

12 THE COURT: The objection is sustained.

13 BY MR. GILLESPIE:

14 q What did you take that comment to mean?

15 A As I stated earlier, I took that comment to mean
16 that as a bit of sarcastic in that I had received a
17 check already and was about soon to be receiving
18 another check and that it was like a gift.

19 q All right. And the second check you received now
20 it's in total -- pardon me, I'm sorry. It's
21 \$250,000?

22 A Yes.

23 q And you told us about your hard work as a COO of
24 Max Factor, correct?

25 A I was not a COO of Max Factor.

1 q well, what was your title?

2 A I was the senior Vice President of Max Factor.

3 q You told us your hard work of doing that, your
4 hard work at Beecham. You didn't work one minute
5 for this \$250,000, true?

6 A Up until that time, yes, that's true.

7 q Up until that time you were paid \$250,000 for not
8 one minute of work?

9 A Yeah, but that wasn't really the intent of the
10 \$250,000, it was for how much work I would do. That
11 \$250,000 was more of an investment or an advance on
12 his part for future work and future opportunities
13 where he could make a lot of money.

14 q I'm going to talk to you about those future
15 opportunities in a quick second, but you signed a
16 contract prior to receiving these checks, true?

17 A Yes.

18 q And we went over the terms of those contracts,
19 correct?

20 A Yes.

21 q Or that contract. And the contract required for
22 you to get paid that you had to do work, correct?

23 A In the future, yes.

24 q Does it say -- well, let me ask you a question,
25 I'm going to ask you to take a look at Aramanda

1 Exhibit 10 and it's in the --

2 A I have it in front of me.

3 Q Could you please tell me where it says "in the
4 future"?

5 A Let me see. In Paragraph 2 it says that:

6 "... Pekin has agreed to retain the services of
7 J.R.A. Investments for the purposes of
8 assisting Sheldon Pekin with identifying
9 institutional investors who may have an
10 interest in making investments in the private
11 equity ..."

12 "May" to me connotes the future, it doesn't
13 mean that currently, today, yesterday, tomorrow,
14 it's something in the future.

15 Secondly, if you go to Paragraph 3:

16 "... agrees to introduce Pekin or attempts to
17 introduce Pekin to various institutional
18 investors who J.R.A. Investments believes may
19 be interested in exploring and entering into
20 investment relationships with Pekin. Also,
21 J.R.A. Investments shall perform reasonably ...
22 consulting services that Pekin may request ..."

23 not that he currently requested that day,
24 that moment, yesterday, or the day before. "May"
25 connotes to me in the future and that was the whole

1 intent behind this consulting agreement.

2 q So you spent a lot of time going over this
3 consulting agreement?

4 A No, I didn't spend a lot of time going over it at
5 all.

6 q Did you spend any time going over it?

7 A I read it once and I thought it reasonably
8 reflected what we wanted to talk about, but
9 obviously the discussions that we had are not all
10 memorialized in this one-page document.

11 q Well, let me ask you, you're signing the contract
12 and you told us the reason for the contract is to
13 put into writing what the terms of the agreement
14 were, correct? You told us earlier?

15 A Yes.

16 q Where in this contract is there any discussion
17 about this conversation you allegedly had about
18 future work?

19 A I just read you two instances that he could
20 request and that I could bring the people in, and
21 "may request" does not mean currently at that moment
22 that he is requesting or had requested in the past
23 week or two of our conversation.

24 q Well, keep reading, go to Paragraph 5, if you
25 would --

1 MR. GILLESPIE: Judge, if I may publish it
2 again?

3 THE COURT: Sure.

4 MR. GILLESPIE: Thank you.

5 BY MR. GILLESPIE:

6 Q Now, has we established "consideration" means you
7 getting paid?

8 A Correct.

9 Q That sets out the terms for you to receive
10 payment, true?

11 A Correct.

12 Q Okay:

13 "... consideration for J.R.A. Investments
14 Services shall be payable as a percentage of
15 total investment funds ..."

16 That means you're getting a percent of
17 whatever he gets, true?

18 A True.

19 Q Okay:

20 "... committed to Sheldon Pekin clients by
21 institutional investors introduced through
22 J.R.A. Investments ..."

23 Correct?

24 A Yes.

25 Q All right. It doesn't say for future possibility

1 introduction, it doesn't say for something that may
2 happen five years from now.

3 A I think it's clearly inferred.

4 q Where is it clearly inferred in Paragraph 5? I'm
5 sorry.

6 MR. NIEWOEHNER: Your Honor, asked and
7 answered.

8 THE COURT: It has been asked and answered.

9 MR. GILLESPIE: I'm sorry. Okay.

10 BY MR. GILLESPIE:

11 q Well, it's your understanding, sir, then, what
12 you're telling us is that this was for future work
13 you were going to do, correct?

14 A Yes.

15 q All right. And how much future work did you do
16 for Pekin?

17 A The relationship did not continue beyond April,
18 so the answer is I did no future work for him.

19 q All right. So you must have took those checks
20 and wrote a check back and said: You know what, I
21 did not live up to any terms of the contract. Did
22 you give him his money back?

23 A No; nor did he ask for it.

24 q Sir, you got \$250,000 for doing nothing?

25 A That was -- that was not the intent, nor was it

1 the discussion that we had. I got the \$250,000 for
2 different reasons.

3 q Okay. Well, let's talk about those reasons.

4 According to what you're telling us, that's because
5 you had some asset or some ability to introduce
6 Pekin to institutions, financial institutions,
7 correct?

8 A Correct.

9 q That wasn't your attribute, that was Tony Rezko's
10 attribute.

11 A Yes.

12 q So you are the middleman. Tony Rezko is the one
13 who is going to be doing the introduction, correct?

14 A He is going to introduce me to these potential --

15 q Right.

16 A Yes.

17 q I'm sorry.

18 Tony Rezko has the relationship with these
19 institutions, not you.

20 A At that time, yes.

21 q At what time did you get the relationship with
22 these institutions?

23 A That didn't materialize.

24 q The answer is never?

25 A Yes, the answer is never, it never continued. I

1 chose not to continue.

2 q I'm going to ask you, sir, some questions about
3 the topic that you just talked about and that is why
4 it is you walked away from this deal, okay.

5 You told the ladies and gentlemen of the jury
6 that after you received the check -- the second
7 check, I'm sorry, from Mr. Pekin in the amount of
8 \$125,000, you had a conversation with Mr. Rezko, is
9 that true?

10 A Yes.

11 q And during the course of that conversation it was
12 discussed, was it not, that the terms of your
13 understanding of what you were to receive in
14 compensation was about to change, is that a fair
15 summation?

16 A Yes, sir.

17 q When was this conversation?

18 A I think I mentioned it was probably several
19 weeks, two to three weeks after receiving the last
20 check.

21 q All right. And in that two to three weeks after
22 receiving the last check still hadn't found any
23 potential institutions to invest with Mr. Pekin you
24 told us, correct?

25 A That's correct.

1 q And that's because Tony Rezko didn't introduce
2 you to anybody, true?

3 A At that time, true.

4 q And when you had this conversation with
5 Mr. Rezko, he had -- let me back up a little bit.
6 I'm sorry.

7 This is in 2004, correct?

8 A Yes.

9 q I think you told us your pizza places were not
10 doing so well?

11 A Correct.

12 q And your job was this consulting job, true?

13 A Not at that time. I hadn't started the due
14 diligence research, I had not really started the
15 consulting job yet at that time.

16 q All right. You got paid 250 but you really
17 didn't do anything on the consulting end of it yet,
18 correct?

19 A It hadn't begun, yes.

20 q And you said that Mr. Rezko came to you, Tony
21 came to you and said, we're going to change the
22 terms of this agreement, I'm going to pay you -- did
23 he say he was going to pay you 250,000?

24 A No.

25 q Who was going to pay you 250,000?

1 A Not discussed in terms of who the individual or
2 how the money was being paid.

3 Q Well, this is an agreement you allegedly had with
4 Mr. Pekin, right?

5 A Correct.

6 Q Did you find it strange that Tony Rezko is
7 telling you how it is you're going to get paid now?

8 A Keep in mind as we talk earlier, he was talking
9 about a concept going forward and the concept going
10 forward he mentioned the terms of the operation
11 going forward would be different that what we
12 previously discussed.

13 Q My question to you is, sir, did you have this
14 conversation with Mr. Pekin?

15 A No.

16 Q And Mr. Pekin again is the man who you were
17 working, in a sense, you were working for him, true?

18 A No.

19 Q With him?

20 A Yes -- would be working with him.

21 Q Would be.

22 And Tony tells you that he's going to pay you
23 \$250,000 plus a commission?

24 A No --

25 MR. NIEWOEHRER: Objection.

1 MR. GILLESPIE: Withdraw the question.

2 BY MR. GILLESPIE:

3 q That you were going to be paid \$250,000 plus a
4 commission?

5 A It wasn't quite stated like that, but that's
6 ultimately what the conversation entailed.

7 q How was it stated?

8 A It was stated that through the investments and
9 the fees that I would receive I'd be making an
10 annual salary, not that he would pay me or anybody
11 would pay me, \$250,000.

12 And when I pressed a little further, he had
13 mentioned also that based on the volume of
14 transactions and the volume of business and the fees
15 involved, that I could also have a bonus.

16 q All right. And he mentioned the term or the
17 amount of 250. Did you ask him who is going to be
18 paying me that amount?

19 A Well, I assumed I thought I knew that question --
20 excuse me, I thought I knew the answer to that
21 question.

22 q My question is, did you ask him?

23 A No, I didn't feel I needed to.

24 q All right. And did you ask him what the
25 commission would be?

1 A No.

2 q And \$250,000 plus a commission wasn't acceptable
3 to you?

4 A That was not the point.

:21PM

5 q My question to you, sir, is, was \$250,000 a year
6 plus commission not acceptable to you?

7 A If you take into context of what I said earlier,
8 the answer would be no. It has nothing to do with
9 just the amount or the absolute amount of the

:21PM

10 salary.

11 q Well, is it taking into consideration the fact
12 that you just made \$250,000 for doing absolutely no
13 work?

14 A No, it's not taking into consideration anything.
15 I stated earlier what it was in relation to, if
16 you'd like me to repeat that.

:21PM

17 q Well, you tell us that you walked away from this
18 \$250,000 a year job plus commission because of a
19 statement that Mr. Rezko gave to you about where the
20 money was going, correct?

:22PM

21 A Yes.

22 q And the statement was something to the effect
23 that -- you tell me what the statement was.

24 A You're saying that Mr. Rezko made or that I made?

:22PM

25 q That Mr. Rezko made to you which caused you such

1 concern.

2 A well, after he stated that the money was being
3 shared by he and others, I told him that I needed to
4 think about this and I'd get back to him and then I
5 got back to him later.

6 q Now, when you said the money was being shared by
7 he and others, you told us up to this point that you
8 believed that this was a legitimate business deal,
9 correct?

10 A Prior to that conversation?

11 q Yeah.

12 A Yes.

13 q As with the Kjellander loan, correct?

14 A Yes.

15 q What money was he talking about that had to go to
16 him and others?

17 A Future payments that I would collect.

18 q Well, and at some point he gives you a list of
19 people, correct?

20 A No, he doesn't give me a list but he discussed it
21 with me in the conversation.

22 q And it's at that point when you say he first
23 mentions Governor Blagojevich?

24 A Names including Governor Blagojevich.

25 q And what did he do after he mentioned it to you?

1 walked away, true?

2 A I told him basically when our conversation almost
3 came to an end, my recollection is I told him I'd
4 have to think about it and get back to him.

:23PM

5 q You never got back to him?

6 A Yes, I did get back to him.

7 q When?

8 A I think it would be ten days or two weeks after
9 that, approximately, maybe a little less, I'm not
10 sure.

:23PM

11 q And you just told him you couldn't do it, true?

12 A Yes.

13 q Now, this is back in the 2004, is it not?

14 A Yes.

:23PM

15 q You, to this date, are still very close with
16 Mr. Rezko?

17 A Close as somebody could be when you don't see him
18 for a year or two.

19 q Well, you haven't seen him for a year or two
20 because he's in prison?

:23PM

21 A Correct.

22 q And that's not true because according to the
23 records, you visited him in jail?

24 A I didn't say I didn't. Absolutely. You didn't
25 ask that question. I just said I hadn't seen him in

:24PM

Aramanda - cross by Gillespie

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1 years, that doesn't mean I didn't visit with him.

2 q Did you see him somewhere around January 4, 2009?

3 A That sounds about right.

4 q Did you see him again in February the 8th, 2009?

5 A Also sounds about right.

6 q And you still -- your families are still very
7 close?

8 A Yes.

9 q Your wife and his wife?

10 A Yes.

11 q Children?

12 A Yes.

13 q You still talk to him on the phone?

14 A No.

15 q And you still consider him, I know you don't see
16 him as much anymore, but do you still consider him
17 one of your better friends, true?

18 A Yes.

19 q Now, did you go to one of your better friends
20 after this alleged statement and say: Tony, what
21 are you talking about that you're involved with this
22 with the government?

23 A Did I ask him that?

24 q Yes.

25 A No.

1 Q This is a man who you're very close to, correct?

2 A Yes.

3 Q You're concerned about, true?

4 A Yeah, I was always concerned about him.

5 Q And so you had to be concerned that he's,
6 according to you involved, involved with this
7 activity with the Governor, right?

8 A Yes, I was concerned.

9 Q And you never expressed that concern to your
10 friend who you lend \$500,000?

11 MR. NIEWOEHNER: Objection; misstates the
12 testimony.

13 THE COURT: The objection is sustained.

14 BY MR. GILLESPIE:

15 Q You never expressed that concern to your friend
16 who you lend in excess of \$400,000?

17 A No.

18 Q Well, you told us that you are testifying here
19 with a grant of immunity, is that right?

20 A Yes.

21 Q And you were -- excuse me.

22 You were -- strike that.

23 Your records were first subpoenaed sometime
24 back in 2004?

25 A I don't recall the exact time but it sounds about

1 right.

2 q 6 years ago, somewhere around there?

3 A Yes.

4 q And the records that were subpoenaed --

:26PM

5 MR. GILLESPIE: Pardon me. I'm sorry.

6 (Brief pause.)

7 BY MR. GILLESPIE:

8 q You were concerned about this, that's a fair
9 statement, true?

:26PM

10 A About the last topic we were talking about?

11 q Yes, I'm sorry, about the last topic we were
12 talking about.

13 A Yes.

14 q And you hired a number of different lawyers as it
15 relates to that?

:26PM

16 A About the overall investigation process?

17 q Yes. I'm sorry.

18 A Yes.

19 q So let me back up a little bit. I'll get back to
20 that in a minute.

:26PM

21 I talked to you about the dates that you went
22 and saw Mr. Rezko in prison and that was in 2009,
23 true?

24 A Yes.

:26PM

25 q And that was some 5 years after this alleged,

1 approximately, after this alleged conversation where
2 your friend, Tony Rezko, says that the Governor is
3 involved with some payments or something, true?

4 A Yes.

:27PM

5 q And the first time you mentioned to anybody, to
6 anybody about this conversation, is after you go
7 visit Mr. Rezko in jail, is that true?

8 A Technically, yes. Absolutely.

9 q Not technically. That's the truth?

:27PM

10 A Yes. Absolutely.

11 q Okay. And back to the lawyers. You hired some
12 lawyers in this case because you were concerned
13 about getting charged, right?

:27PM

14 A Charged -- charged? I mean, that is kind of a
15 broad statement, but basically, yes.

16 q "Charged" means getting charged with a criminal
17 offense. Is that better?

18 A Yes.

19 q That concerned you?

:27PM

20 A Absolutely.

21 q You didn't want to go to jail?

22 A I wasn't worried about going to jail, I was more
23 worried about just going through the process of
24 being charged.

:28PM

25 q well, you do know, sir, if you are charged with a

1 crime there is a possibility that, if you're found
2 guilty, you would go to jail?

3 A I didn't have any fear that I was going to be
4 found guilty on that particular charge, we were
5 talking about it at that time.

6 q well, you hired a lawyer?

7 A Sure.

8 q His name is Chris Gair?

9 A Yes.

10 q And that wasn't the first lawyer you saw,
11 actually the first lawyer you saw was a man by the
12 name of Eugene Murphy?

13 A Yes.

14 q And you went and saw Eugene Murphy and actually
15 your friend, Tony Rezko, was in the office there
16 with you?

17 A During one of the meetings, yes.

18 q How many meetings did you have with Mr. Murphy?

19 A With Mr. Murphy?

20 q Yes.

21 A Several.

22 q Between five and ten, is that fair?

23 A Not nearly that much. I would think that well
24 under five.

25 q And then you hired a lawyer by the name of Chris

1 Gair, correct?

2 A Yes.

3 q And then how long were you with Mr. Gair or how
4 long were you his client?

:29PM

5 A Not for a long time. I would imagine several
6 months.

7 q And then you hired another attorney by the name
8 of Terry Gillespie?

9 A Yes.

:29PM

10 q And how long were you with him?

11 A Up until I believe October or so of '09, roughly.

12 q October of '09 would be subsequent to the visits
13 to see Mr. Rezko in jail?

14 A Yes.

:29PM

15 q And as it relates to your conversations with
16 these attorneys, it was your hopes, when you first
17 met with Mr. Gair, that you would be offered
18 immunity, true?

:29PM

19 A We never discussed it initially, we discussed it
20 later. When it was described to me what it meant
21 and, you know, what would lead up to that, yes, the
22 answer to that is yes.

23 q Mr. Gair explained to you what immunity was?

24 A Yes.

:29PM

25 q And after that discussion with him, how many

Aramanda - cross by Gillespie

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1 meetings did you have before that was discussed with
2 you?

3 A Probably at least a couple.

4 Q Now, when you spoke with Mr. Gair, you understood
5 that -- he asked you questions, of course, us
6 lawyers ask way too many questions, but he asked you
7 a lot of questions, right?

8 A Yes.

9 Q And he wanted to know and he wanted you to give
10 him as much information as he could get about
11 different topics, true?

12 MR. NIEWOEHNER: Objection.

13 THE COURT: The objection is sustained.

14 MR. GILLESPIE: Your Honor, could I ask for a
15 sidebar?

16 THE COURT: The nature of the question you're
17 asking is unnecessary and not relevant. Why don't
18 you put the next question to him.

19 BY MR. GILLESPIE:

20 Q Well, you are aware, sir, you did, in fact, waive
21 any privilege you had, attorney-client privilege,
22 with Mr. Gair, correct? And you did that when you
23 met with the U.S. Attorneys, true?

24 A After signing the immunity agreement?

25 Q Yes.

1 A I believe so.

2 Q Right. And you also waived any privilege you may
3 have had with attorney Terry Gillespie when you
4 signed -- is it a piece of paper or an agreement, an
5 actual contract?

6 A I signed a piece of paper that I would imagine is
7 part of an agreement.

8 Q And you waived any privilege that you had as it
9 relates to Mr. Gillespie, true?

10 A I believe so.

11 Q Speaking with Mr. Gair, he was your lawyer?

12 A Yes.

13 Q You wanted him to help you out?

14 A Yes.

15 Q You knew that he was going to be going to the
16 government and telling them or making a proffer.
17 You know what a proffer is, correct?

18 A Yes.

19 Q You've made many proffers in this case, true?

20 A No.

21 Q How many times did you talk to the government?

22 A You're talking about a written proffer?

23 Q No, no. I'm sorry. Statements.

24 A If that's a statement, I thought it was a written
25 proffer, but statements I met with the government,

1 as I mentioned, I think four times.

2 q Again, it was your hopes that Mr. Gair would get
3 you immunity, true?

4 A True.

5 q And --

6 A Excuse me. That's not why I went to see him. I
7 went to see him for representation of legal advice.

8 As it turns out, one of his most serious pieces of
9 advice was that he thought it would be prudent to

10 try to get immunity as subsequent lawyer,

11 Mr. Gillespie, also said.

12 q Correct. That immunity would be a good thing for
13 you?

14 A According to the lawyers, they say it's always a
15 good thing.

16 q Right. Absolutely.

17 And in your conversations with Mr. Gair in

18 2004, you never, not once, made mention of this

19 statement by Mr. Rezko that the Governor was

20 supposed to get money, true?

21 A True.

22 q You never told your lawyer that?

23 A Absolutely true.

24 q And you knew he was going to the U.S. Attorneys

25 to try to get you immunity, true?

1 A True.

2 q And you knew that the way in which he was going
3 to get you immunity was that he was going to go to
4 them and in his conversation or the materials he
5 talked to them about was substantive enough that you
6 would get immunity, true?

7 A Probably.

8 q Well, that's true?

9 A I would think so, yes.

10 q Right. And the same thing goes for your
11 conversations with Mr. Gillespie.

12 well, let me back up a little bit. As it
13 relates to Mr. Gair, he asked you or you talked
14 specifically about Pekin?

15 A Yes.

16 q And Pekin is the deal you're telling us in which
17 this conversation with Rezko about the Governor came
18 about, right?

19 A Yes. After Pekin.

20 q After Pekin. I'm sorry.

21 And you also talked to him about Kjellander?

22 A Yes.

23 q You talked to him about your GE loan?

24 A Yes.

25 q And never, not once, did you mention to your

1 lawyer that Rezko said the Governor had done
2 something, correct?

3 A Correct.

4 q Now, you went and got a second lawyer, you got a
5 lawyer by the name of Terry Gillespie, as you told
6 us, and he asked you a lot of questions, true?

7 A True.

8 q And he never -- it was your understanding that it
9 was the same thought process, that we're going to do
10 what we can or he was going to do what he could to
11 get immunity?

12 A Yes.

13 q And the same principle held true in that he was
14 going to make a proffer, or a fancy way of saying he
15 was going to talk to them, and talk to them about
16 different things such as Kjellander, correct?

17 A Yes.

18 q Such as Pekin, correct?

19 A Yes.

20 q Such as your GE loan, correct?

21 A Yes.

22 q And he represented you up until 8 months, you
23 said 2009, right?

24 A True.

25 q And you never told your second lawyer about this

1 alleged statement where Rezko said that the Governor
2 was getting something?

3 A I never volunteered nor was I asked by the
4 attorneys. Basically, all of the attorneys thought
5 that the proffer was the written proffer at the time
6 basically the last check with Pekin and we never
7 discussed anything, to my recollection, beyond that
8 date.

9 Q Let me ask you, you understand that when you go
10 to an attorney's office you have to provide him with
11 the information, correct?

12 A well --

13 Q Yes or no?

14 A well --

15 Q You do understand that?

16 A Possibly. Not in all cases, no.

17 Q well, before walking into the office, the lawyer
18 knows nothing about the case?

19 A Right. So you try to describe the whole case.

20 This was not part of the case at that time.

21 Q You try to describe the whole case, correct?

22 A As it pertains to me, yes.

23 Q well, as it pertains to you. According to you,
24 the reason you quit this wonderful job was because
25 of this statement that Rezko made by the Governor,

1 correct?

2 A That would be the two reasons, the other reason was,
3 as I stated, that I couldn't devote the time or find
4 somebody to replace me in the business, so I
5 couldn't devote as much time as I thought might be
6 necessary to pursue this.

7 Q What is more substantiated than telling your
8 attorney or the U.S. Attorney that your dear friend
9 Mr. Rezko made a statement about the Governor taking
10 money?

11 MR. NIEWOEHRER: Objection.

12 THE COURT: The objection to the form of the
13 question is sustained.

14 BY MR. GILLESPIE:

15 Q Well, you understood -- it was your understanding
16 that -- it was your understanding that the purpose
17 of the attorney proffer that we discussed a second
18 ago to attorney Gair and attorney Gillespie was the
19 attorney could present an outline of events to the
20 United States Attorneys Office and get their
21 thoughts on events, correct? Is that a true
22 statement?

23 A Yes.

24 Q And you also -- it was also your understanding
25 that if the U.S. Attorney's Office thought that

Aramanda - cross by Gillespie

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1 these descriptions or these events were substantive,
2 that you could receive immunity? That was your
3 understanding, true?

4 A True.

5 q Okay. I'll ask you the question again. What
6 could be more substantive than a sitting Governor
7 taking payments?

8 MR. NIEWOEHNER: Objection.

9 THE COURT: The objection is sustained.

10 BY MR. GILLESPIE:

11 q You then met with attorney Matt -- your attorney
12 is now attorney Matt McQuaid, correct?

13 A Correct.

14 q And then you waived the privilege with attorney
15 Gillespie and you waived the privilege with attorney
16 Gair, you did not waive your privilege with attorney
17 McQuaid, true?

18 A I believe so.

19 q And it's your understanding that Mr. McQuaid was
20 talking to Mr. Rezko's lawyer during the course of
21 your representation?

22 A I understood that they had at least one occasion.

23 q Right. He had a conversation with Mr. Rezko's
24 lawyer, correct?

25 A I believe so.

1 q And when you visited Mr. Rezko in jail, you knew
2 that he was cooperating with the government?

3 A That's not true.

4 q Did you come to learn that he was cooperating
5 with the government?

6 A Yes.

7 q When?

8 A Probably, I would guess, at least four or
9 6 months, maybe longer, after the last time I
10 visited him.

11 q And you know --

12 A Excuse me. I didn't know for sure that he was, I
13 just made an assumption based on something I heard.

14 q All right. You had heard he was cooperating?

15 A Not exactly.

16 q In any event --

17 A I could tell you how I heard, but it's not that I
18 heard he was cooperating.

19 q You knew was meeting with U.S. Attorneys?

20 A Yes, that I did know.

21 q All right. And you knew that he was meeting them
22 at their office, right?

23 A I believe I heard that, yes.

24 q And you knew that he was meeting with them
25 because he was talking to them?

Aramanda - cross by Gillespie

1715

1 A Obviously if he was meeting with them, I assume
2 he was talking to them --

3 q Right.

4 A -- but I don't know what you're referring by
5 that. I don't know that he was cooperating, but if
6 he went to meet with them, I'm sure that he probably
7 talked to them.

8 q All right. Well, sir, the first time -- strike
9 that.

10 You knew that your lawyer was talking with
11 Rezko's lawyer, correct?

12 A I knew that at least on one occasion he met with
13 them.

14 q And it was soon thereafter was the first time you
15 mentioned to anybody about this alleged statement
16 where the Governor is taking money, correct?

17 MR. NIEWOEHNER: Objection, Your Honor.

18 THE COURT: The objection is sustained.

19 BY MR. GILLESPIE:

20 q You got your immunity deal?

21 A Yes.

22 MR. GILLESPIE: Judge, if I could have a
23 moment?

24 THE COURT: Sure.

25 (Brief pause).

Schindler - direct by Schar

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1 MR. GILLESPIE: Thank you, sir.

2 THE WITNESS: You're welcome.

3 THE COURT: Redirect?

4 MR. NIEWOEHNER: No redirect.

5 THE COURT: You can step down.

6 (Witness excused.)

7 THE COURT: Call you're the next witness.

8 MR. SCHAR: The government calls.

9 THE COURT: Face me and raise your right

10 hand.

11 (Witness duly sworn.)

12 THE COURT: Please be seated.

13 SHARI SCHINDLER, GOVERNMENT WITNESS, SWORN

14 DIRECT EXAMINATION

15 BY MR. SCHAR:

16 Q State and spell your name for the Court.

17 A My name is Shari Schindler, S-h-a-r-i

18 S-c-h-i-n-d-l-e-r.

19 Q What do you do for a living?

20 A I'm a revenue agent with the Internal Revenue

21 Service.

22 Q How long have you been employed as a revenue

23 agent with the Internal Revenue Service?

24 A Almost 23 years.

25 Q Would you explain for us briefly, Agent

Schindler - direct by Schar

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1 Schindler, what your duties are as a revenue agent
2 with the IRS.

3 A Well, a revenue agent examines books and records
4 of taxpayers and businesses in order to determine
5 the correct tax. What I do is I work with the U.S.
6 Attorney's Office on complex financial cases.

7 Q What is your educational background?

8 A I have a bachelor of business administration from
9 Roanoke College.

10 Q Generally speaking, are you familiar with certain
11 financial documents obtained during the
12 investigation of the case now on trial?

13 A Yes.

14 Q In relation to the case currently on trial, were
15 you asked to produce various summary charts related
16 to the documents obtained during this investigation?

17 A Yes, I was.

18 Q What of type summary charts were you asked to
19 work and are you still working on?

20 A Chart summary arising from bank records and
21 financial records.

22 MR. SCHAR: Judge, may I approach?

23 THE COURT: You may.

24 BY MR. SCHAR:

25 Q I'm going to show you what's been marked as

Schindler - direct by Schar

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1 Government Exhibit Chart 2 and Government Exhibit
2 Chart 3.

3 Do you recognize both of those charts, Agent
4 Schindler?

5 A I do.

6 q what are they, generally?

7 A These are charts that I prepared.

8 q Do they fairly and accurately summarize certain
9 records that were obtained as part of this
10 investigation?

11 A Yes.

12 q As well as information you received?

13 A Yes.

14 MR. SCHAR: Judge, we move Government Exhibit
15 Charts 2 and 3 into evidence and ask to publish.

16 MR. GOLDSTEIN: No objection.

17 THE COURT: Without objection, admitted.

18 (Government's Exhibits Chart 2 and 3 were
19 received in evidence.)

20 (Exhibit published to the jury.)

21 BY MR. SCHAR:

22 q I ask you to take a look at Government Exhibit
23 Chart 2.

24 what's the title of the chart, Agent
25 Schindler?

1 A POB Money Fall 2003.

2 q And by "POB," is that an acronym for Pension
3 Obligation Bond money?

4 A Yes.

5 q All right. There's a lot of information
6 contained on this chart. What I'm hoping you can do
7 is walk us through beginning on the left side of the
8 chart exactly what you are able to determine based
9 on the flow of money from this particular

10 transaction.

11 A Okay, if you start all the way at the upper
12 left-hand corner of the chart, you see "State of
13 Illinois," that is the State of Illinois issuing
14 this \$10 billion worth of bonds.

15 Then if you follow down from the State of
16 Illinois, there's a box entitled "Bear Stearns."
17 Bear Stearns got a contract related to the issuance
18 of the bonds.

19 Then if you follow from Bear Stearns, the
20 next box down is Springfield Consulting Group. So
21 the arrow shows that Bear Stearns paid \$809,133.96
22 on September 24, 2003, to Springfield Consulting
23 Group, LLC, which is a company controlled by Robert
24 Kjellander.

25 q Does the chart continue as to where a certain

Schindler - direct by Schar

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1 portion of that money went --

2 A Yes.

3 q -- from Mr. Kjellander?

4 A Yes.

5 q I'm sorry, go ahead.

6 A Okay. So Mr. Kjellander then sends \$600,000 to
7 Mr. Aramanda on October 2nd, 2003, and that would
8 finish off the left-hand column.

9 q And based on both your understanding of
10 statements that have been made, as well as the flow
11 of the check from Mr. Aramanda's business account,
12 was a right side portion of the chart produced here?

13 A Yes.

14 q And can you just walk us through the five
15 categories on the top and the dates on those,
16 please. I think beginning after October 2nd, 2003.

17 A On October 3rd, 2003, \$10,000 was transferred to
18 Al Chaib.

19 And then if you look to the right on
20 October 3rd, 2003, as well, \$35,000 was transferred
21 to Paul Moussa.

22 All the way to the right, on October 8, 2003,
23 \$66,000 was transferred to Semir Sirazi.

24 q And those three boxes at the very top of the
25 chart that are a darker red, why is that? Is that

Schindler - direct by Schar

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1 where the money stopped?

2 A Yes.

3 q Okay. Were there still additional transfers from
4 Mr. Aramanda's business account to two other
5 individuals?

6 A Yes; on October 7th, 2004, Elie Maloof got
7 \$50,000, and then on October 6th, 2003, Alfred Roumi
8 got \$300,000.

9 q Those are in a slightly lighter red. Did the
10 money, as you traced it, stop with Mr. Maloof and
11 Mr. Roumi?

12 A No.

13 q Okay. Where did the money from Mr. Maloof go on
14 the same day that it was transferred into his
15 account?

16 A So if you follow the arrow down from Mr. Maloof,
17 on October 7th he transferred \$50,000 to Rezko
18 Concessions.

19 q And if you look to the right, so the \$300,000
20 that went to Mr. Roumi's account -- by the way,
21 where is Mr. Roumi's account?

22 A In Canada.

23 q A portion of that, then, gets transferred out the
24 next day?

25 A Yes; on October 7th, 2003, \$200,000 came from

1 Mr. Roumi to Rezko Enterprises.

2 q And did that money stay in the Rezko Enterprises
3 account?

4 A No.

5 q Where did it go?

6 A It went from Rezko Enterprises 190,000 of that on
7 October 7th went into Rezko Concessions.

8 q At the time that \$50,000 and \$190,000 went into
9 the Rezko Concessions account, if you recollect,
10 about how much money was in the Rezko Concessions
11 account?

12 A Somewhere around 2 to 3 thousand dollars.

13 q The day before those transfers get put into the
14 Rezko Concessions account, was a check written?

15 A Yes.

16 q Who was it written to?

17 A It's written to Chris Kelly.

18 q On which account?

19 A On the Rezko Concessions account.

20 q What day was it actually cashed?

21 A It was negotiated by Mr. Kelly on October 7th,
22 2003.

23 q After the money had gotten into the account to
24 clear the check?

25 A Right.

Schindler - direct by Schar

1723

1 MR. SCHAR: Judge, may I approach?

2 THE COURT: You may.

3

4 BY MR. SCHAR:

:49PM

5 q I'm going to show you what's marked Government
6 Exhibit 10/6/03 Elie Check.

7 MR. SCHAR: We ask to move this in pursuant
8 to 90211 certificate.

9 THE COURT: Admitted.

:49PM

10 (Government's Exhibit 10/6/03 Elie Check was
11 received in evidence.)

12 THE ATTORNEY:

13 q Is that the check for which you were just
14 referring to?

:50PM

15 A Yes.

16 q which account is it drawn on?

17 A This is from Rezko Concessions, Inc.

18 q what's the date of the check?

19 A It's dated October 6th, 2003.

:50PM

20 q who is it written to?

21 A Chris Kelly.

22 q For how much?

23 A \$200,000.

24 q And at the bottom, what's the date negotiated?

:50PM

25 A October 7th, 2003.

Schindler - direct by Schar

1724

1 q After the other money had been transferred into
2 the Concessions account?

3 A Right.

4 q I'd like to direct your attention now, Agent
5 Schindler, to Government Exhibit Chart 3.

6 A Okay.

7 MR. SCHAR: Judge, may I have one moment.
8 (Brief pause).

9 MR. SCHAR: Because of the quality of the
10 chart, I'd ask permission to hand out this chart to
11 the jurors, if I could.

12 THE COURT: Show me the chart.
13 (Brief pause).

14 THE COURT: All right. Yes.

15 MR. SCHAR: Thank you.
16 (Exhibit published to the jury).

17 BY MR. SCHAR:

18 q Agent Schindler, what is the title of this
19 particular chart?

20 A Monk cash withdrawals.

21 q What is it?

22 A It's a chart that summarizes all the cash
23 withdrawals from Alonzo Monk and Laura Hirsch Monk,
24 bank accounts for the period 2003 through
25 December 2007.

Schindler - direct by Schar

1725

1 q Do you understand Laura Hirsch is Mr. Monk's
2 wife?

3 A Yes.

4 q How did you trace the money out for this
5 particular chart?

6 A I went through all the bank accounts that both of
7 them had and analyzed looking for cash withdrawals
8 and cash back from deposits.

9 q What does the chart demonstrate?

10 A It demonstrates that between September 2004 and
11 February 2007 there's virtually no cash withdrawn
12 from the banks.

13 q With the exception there appears to be one month
14 in 2005 about a 16 or 1700 dollar withdrawal?

15 A There's actually 1800 by Mr. Monk and it looks
16 like a 200 and a 100 by Laura.

17 q Other than that, you didn't find any other cash
18 withdrawals largely between the end of 2004 and the
19 beginning of 2007?

20 A Correct.

21 q Did you look for any cash advances on credit
22 cards?

23 A I did. I didn't see any.

24 q What did --

25 A I'm sorry.

1 No, there weren't any.

2 q Did you check the financial records for any
3 checks that cashed?

4 A Yes; and there weren't any.

5 q Did you check the bank records for cash deposits
6 into the accounts of Mr. Monk and his wife?

7 A I looked for them and I didn't find any.

8 MR. SCHAR: If I may have a moment, Judge.

9 THE COURT: You may.

10 (Brief pause).

11 MR. SCHAR: Nothing further at this time.

12 CROSS EXAMINATION

13 BY MR. GOLDSTEIN:

14 q Good afternoon, Ms. Schindler.

15 A Good afternoon.

16 q I'm going to have you look at that Monk chart
17 that you were just looking at a second ago.

18 A Okay.

19 q And if the jury can look at it as well. We have
20 it up here.

21 Now, you indicated that you analyzed the cash
22 withdrawals from banks of Laura Monk or Laura Hirsch
23 Mon and Lon Monk?

24 A Correct.

25 q And how many bank accounts are we talking about?

1 A For him, I believe, there were two, and for her
2 one or two, plus he had an investment account, I
3 believe, and I also looked at all their credit card
4 accounts.

:55PM

5 q Were you aware of any other accounts that the
6 Monks had other than those?

7 A No.

:56PM

8 q The bank accounts that you reviewed from Lon Monk
9 and Laura Hirsch Monk were based on interviews that
10 you had with Mr. Monk?

11 A No.

12 q Where did you get the information as far as the
13 bank accounts that the Monks held?

:56PM

14 A I think originally I was given a bank account and
15 then based on looking through that bank account I
16 found leads to other bank accounts.

17 q Who gave you that bank account?

18 A It just would've been something from the
19 investigation.

:56PM

20 q How long have you been on this investigation?

21 A A couple of years.

22 q Now, there are not -- you don't have months
23 indicated on this chart. That last green bar in
24 2004, what month is that?

:56PM

25 A September.

1 wait, the last green bar?

2 q Correct.

3 A It would be August.

4 q The last green bar is August.

:56PM

5 A There's a little -- it's really hard to see.

6 There's a little blue bar in September.

7 q So there's a blue bar to the right of the green
8 bar in 2004, is that correct?

9 A That's right.

:57PM

10 q Okay. And how much does that little blue bar
11 right after that August green bar in 2004, what cash
12 amount does that reflect?

13 A It looks to be about \$300.

14 q \$300.

:57PM

15 And the \$300 that was withdrawn in
16 September 2004, when was the previous withdrawal for
17 the blue for Alonzo Monk?

18 A There's one in August of 2004.

19 q And how much is that?

:57PM

20 A Looks about the same, 300.

21 q And before that?

22 A Looks like there's a 300 again in July.

23 q Okay. So after September of 2004, Mr. Monk
24 stopped withdrawing from the bank for

:58PM

25 approximately -- well, it's up to about, say, April

1 of 2005?

2 A Yeah.

3 q Okay. And then that approximate April of 2005
4 was how much of a cash withdrawal?

:58PM

5 A It was right around \$1,800 and that was a cash
6 back from a deposit.

7 q Okay. So between September and that \$1800
8 withdrawal, there was no cash withdrawal for Alonzo
9 Monk?

:58PM

10 A Correct.

11 q And you're familiar with this investigation, is
12 that correct?

13 A Yes.

:58PM

14 q And it was approximately that period of time, in
15 2004, that Mr. Monk stopped taking withdrawals that
16 the investigation was going into Mr. Monk, is that
17 correct?

18 A I don't know the exact dates.

:58PM

19 q Were you aware of when Mr. Monk spoke to the U.S.
20 Attorney's Office? In 2005 he spoke to them, right?

21 A I don't know.

22 q And there was a investigation occurring into the
23 boards in 2004, is that correct?

24 A I don't know the dates. I really don't.

:59PM

25 q Now, what this indicates is, potentially, one

1 possible indication is that Mr. Monk didn't need to
2 take cash out of the bank, is that fair?

3 A Yes.

4 q So, potentially, Mr. Monk had available cash that
5 he didn't need to go to the bank for?

6 A Yes.

7 q But you don't know why Mr. Monk was taking that
8 cash?

9 A Taking what cash?

10 q why Mr. Monk had available cash?

11 MR. SCHAR: Objection.

12 MR. GOLDSTEIN: I'll rephrase. I apologize.

13 BY MR. GOLDSTEIN:

14 q Mr. Monk was not taking cash out for a period of
15 time between 2004 and really up to 2007, correct?

16 A Correct.

17 q And one of the reasons he may not have been doing
18 that is because he had available cash on hand,
19 correct?

20 A That's possible.

21 q Okay. And one of the reasons he had available
22 cash on hand is someone was giving him potentially
23 hush money?

24 MR. SCHAR: Objection.

25 THE COURT: The objection is sustained.

1 BY MR. GOLDSTEIN:

2 q well, if you can --

3 Now, we're looking at the POB money chart
4 that you discussed, and that's Government Exhibit
5 Chart 2.

6 Do you see that?

7 A I do.

8 q Now, it indicates that there's money that Bear
9 Stearns received September 24th of 2003?

10 A There's money that Bear Stearns paid.

11 q Paid.

12 Now, as to the Springfield Consulting Group.

13 A Right.

14 q Now, let's go all the way through.

15 You indicated that the darker red indicates
16 that the money stops?

17 A Right.

18 q Okay. So then there is, as we go to the right of
19 the chart, there's an Elie Maloof \$50,000 that you
20 indicate goes down to this Rezko Concessions?

21 A That's correct.

22 q Okay. And then there's Alfred Roumi, \$300,000
23 that goes down to Rezko Enterprises?

24 A 200 of it goes to Rezko.

25 q I apologize. 200,000, and that's October 7th,

1 2003?

2 A Right.

3 q And as you look right there, that's based on your
4 analysis of the bank accounts of Rezko Concessions
5 as well as Rezko Enterprises?

6 A That's correct.

7 q And for what period of time were you evaluating
8 Rezko Concessions and Rezko Enterprises?

9 A Right around the same time as the money was paid
10 to Mr. Maloof and Mr. Roumi.

11 q So late 2003?

12 A Yes.

13 q How big a time period were you looking at?

14 A Well, I was -- I didn't have to look past a day,
15 but I was looking in that month of October.

16 q You were looking at that month of October of
17 2003, is that correct?

18 A Yes.

19 q And then you evaluated the bank account of Chris
20 Kelly, is that correct?

21 A Yes.

22 q And that's October 7th, 2003?

23 A Right.

24 q Okay. And the bank account of Chris Kelly
25 indicated that there was a check given from Rezko

1 Concessions to Chris Kelly?

2 A Yes.

3 q Now, after evaluating the Rezeko Concessions bank
4 account, the Rezeko Enterprises bank account, and the
5 Chris Kelly bank account, did you find any money
6 that went to Rod Blagojevich?

7 A Not directly, no.

8 q Well, did you see in any of these bank accounts
9 any money that went to Rod Blagojevich?

10 A Not directly.

11 q Did you see any money that went -- well, strike
12 that.

13 You evaluated Rod Blagojevich's bank account,
14 correct?

15 A Yes, I did.

16 q And there's no money coming in from Chris Kelly
17 indicating \$200,000, is there?

18 A No.

19 q And you certainly weren't looking for that, were
20 you?

21 A (No response.)

22 q You're looking for money that went to Rod
23 Blagojevich?

24 A Yes.

25 q You would let them know if you'd seen any money

1 that went to Rod Blagojevich, right?

2 A Yes.

3 q You also reviewed the money that Joseph Aramanda
4 got from William Pekin -- or Sheldon Pekin, is that
5 correct?

6 MR. SCHAR: Judge, objection; at this point
7 it's outside the scope.

8 THE COURT: The objection is sustained, it is
9 outside the scope.

10 BY MR. GOLDSTEIN:

11 q Well, did you review money that Joseph Aramanda
12 gave to individuals, is that correct?

13 A To these individuals, yes, on the chart.

14 q In order to find out if Joseph Aramanda gave to
15 those individuals, you had to look at Joseph
16 Aramanda's bank accounts, correct?

17 A Correct.

18 q And when you looked through Joseph Aramanda's
19 bank accounts, did you see any money that went to
20 Friends of Obama?

21 MR. SCHAR: Objection.

22 THE COURT: If you want to call this witness
23 in your case, you could do so, but you are way
24 beyond the scope of what the government offered.

25 MR. GOLDSTEIN: Thank you, Your Honor.

1 BY MR. GOLDSTEIN:

2 q In light of what the Judge just said, would you
3 be able to come back in Mr. Blagojevich's case?

4 THE COURT: That's not a question to a
5 witness. If you need this witness here and the
6 witness can be compelled by my order, you raise it
7 with me, not with the witness.

8 MR. GOLDSTEIN: Yes, sir.

9 Thank you.

10 THE COURT: Redirect, Mr. Schar.

11 REDIRECT EXAMINATION

12 BY MR. SCHAR:

13 q Briefly, Agent Schindler. You were asked
14 questions about money going to Rod Blagojevich at
15 this time frame. You used the word that you did not
16 trace any money directly going to Rod Blagojevich.
17 Is the purpose of that chart to look for money that
18 you can trace, conservatively, directly from the
19 funds that are right there?

20 A Yes.

21 q What's the date of the money that goes to
22 Mr. Aramanda's account?

23 A October 2nd, 2003.

24 q Did you trace checks to River Realty, Defendant
25 Blagojevich's wife's account from Tony Rezko's

Schindler - recross by Goldstein

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1 companies?

2 A Yes, I did.

3 q What is the first date of a 12-thousand-dollar
4 check?

5 A October 3rd, 2003.

6 MR. SCHAR: Nothing else, Judge.

7 (Brief pause).

8 RECROSS EXAMINATION

9 BY MR. GOLDSTEIN:

10 q Ms. Schindler, you indicated that there was money
11 that did not go to Rod Blagojevich, correct?

12 A Yes.

13 q And you're talking -- Mr. Schar talked to you
14 about Patti Blagojevich?

15 A River Realty, yes.

16 q River Realty, okay.

17 Do you know anything about the work that
18 Patti Blagojevich did for Tony Rezko?

19 MR. SCHAR: Objection.

20 THE COURT: Again, it's outside the scope.

21 BY MR. GOLDSTEIN:

22 q Well, money that went to Patti Blagojevich, you
23 can't indicate as to whether that money was earned?

24 MR. SCHAR: Objection, Judge.

25 THE COURT: You know, this witness was not

1 asked why or how. The witness was asked a simple
2 question, did money go. That's the limit of your
3 cross-examination.

4 BY MR. GOLDSTEIN:

5 q Did you review any contracts between Tony Rezko
6 and Patti Blagojevich?

7 MR. SCHAR: Objection, Judge.

8 THE COURT: Sustained.

9 BY MR. GOLDSTEIN:

10 q Did you review any dealings, any real estate
11 dealings between Patti Blagojevich and Tony Rezko?

12 MR. SCHAR: Objection, Your Honor.

13 THE COURT: I think you're finished, counsel.

14 MR. GOLDSTEIN: Thank you.

15 THE COURT: We'll take a fifteen-minute
16 recess.

17 (Witness excused.)

18 (Recess.)

19 THE MARSHAL: All rise.

20 (The following proceedings were had out of the
21 presence of the jury in open court:)

22 THE COURT: Be seated in the courtroom.

23 Counsel, approach the lectern.

24 (Brief pause.)

25 THE COURT: Some observations on some of the

1 questions that were asked and the reasons I
2 sustained objections. I say this because my manner
3 of ruling and my views on this are clearly
4 understood because it will go much quicker.

:09PM 5 I'm going to begin with the question "is it
6 possible." Generally speaking, we permit questions
7 "is it possible" when you are dealing with just two
8 alternatives and there's been established in the
9 evidence some reasonable probability that one or the
:10PM 10 other is true.

11 The core issue of "is it possible" is if you
12 ask a reasonably educated person is it possible that
13 the sun is going to rise in the west tomorrow, the
14 answer is yes, it is possible. I have heard a
:10PM 15 witness, not in this courtroom but when I sat where
16 the lawyers sit, I heard a scientist answer the
17 question whether something was possible, "yes, it is
18 possible in the same sense ..." I think quoting this
19 exactly, "yes, it is possible in the same sense that
:10PM 20 this courthouse could dissolve into dust at midnight
21 tonight, in that sense, it is possible." So I urge
22 you to have care because, generally speaking, if you
23 just ask the "is it possible" question I'm going to
24 sustain the objection to the question.

:11PM 25 Sometimes in context it is okay, but to give

1 you another example about why "is it possible" is a
2 different question "is it possible that Brazil will
3 win the world cup" is a very different question from
4 "is it possible that England will win the world cup"
5 and still a different question from "is it possible
6 that Australia will win the world cup." The last
7 question is absurd. The first two questions, one,
8 we're dealing with a likely contender, and in the
9 other case you're dealing with a long-shot for whom
10 it is impossible in a realistic sense.

11 So before you utter the word "possible,"
12 think about that.

13 The second question is, you start asking
14 witnesses about legal terms, and the classic example
15 of that was "substantive." The vast majority of
16 people do not understand "substantive." You ask
17 those questions, the witness may very well be
18 confused, the jury may not understand the answer
19 even if the question is allowed.

20 And lastly, there are lots of questions,
21 particularly by the defense and a little by the
22 prosecution, in which you are asking the witness to
23 read someone else's mind. And that was the question
24 asked of the witness about "your lawyer wanted to
25 know," I think he was referring to Chris Gair, "he

1 wanted to know." I don't know what conceivable
2 basis of the witness' knowledge would be of what the
3 lawyer did or did not want to know. Now, I suppose
4 one could have asked questions that would have
5 justified the witness saying yes or no.

6 Lastly, you can keep trying to ask questions
7 that indicate what a defense theory might be, but if
8 they're beyond the scope, I'm going to sustain those
9 objections. And the problem is, if I sustain those
10 objections often enough, you may very well leave the
11 jury with the impression that whatever the answer is
12 it doesn't matter, when in fact I'm ruling on what
13 is something that is outside the scope. So you
14 don't gain anything and you prolong the trial with
15 some minor risk that it's not good for you.

16 Bear in mind also, for both the government
17 and the defense, this jury is prepared to sit here
18 for a long time; otherwise, we wouldn't have sat
19 them. And the first couple of weeks, maybe even
20 three weeks, everything is okay. There's going to
21 come a period of time where if you are not incisive
22 and nonrepetitive, the jury is going to think one of
23 two things, maybe both, one is that you're eating
24 their time to no purpose, and, secondly, that you're
25 asking these repetitive questions because it is the

1 opinion of the questioner that the jury is filled,
2 the jury box is filled with a bunch of idiots;
3 neither one of those impressions is particularly
4 good for the lawyer who sends that message to the
5 jury. So these are things you can think about in
6 the interim.

7 With that, I think I've used five of our
8 fifteen minutes.

9 MR. SCHAR: And, Judge, the government filed
10 a motion to limit comments, I think they were just
11 filed this afternoon. I'm going to provide Your
12 Honor a copy, it's E filed, and I've provided
13 defense a copy now, obviously.

14 May I approach.

15 (Handing document).

16 THE COURT: We can deal with this later.

17 MR. SCHAR: Yes, judge.

18 THE COURT: Thanks.

19 (Recess.)

20 THE MARSHAL: All rise.

21 THE COURT: Please be seated.

22 MR. NIEWOEHNER: Your Honor, the government
23 calls Anthony Pope.

24 THE COURT: Face me and raise your right
25 hand.

Pope - direct by Niewoehner

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1 (Witness duly sworn.)

2 THE COURT: Please be seated.

3 ANTHONY POPE, GOVERNMENT WITNESS, SWORN

4 DIRECT EXAMINATION

5 BY MR. NIEWOEHNER:

6 q Could you state your name and spell your last
7 name, please.

8 A Anthony Pope, P-o-p-e.

9 q How old are you?

10 A 68.

11 q Where do you currently live?

12 A Elmhurst, Illinois.

13 q What is your occupation?

14 A I have been a CPA for about 40 years and a
15 practicing attorney for about 30 years.

16 q Who do you work for?

17 A Anthony Joseph Pope, Ltd.

18 q Who owns that company?

19 A I do.

20 q About how long have you worked for that company?

21 A Maybe 30 years; 35 years.

22 q In terms of your law practice, what type of
23 practice do you have?

24 A I'm what you call a tax guy. We do income taxes,
25 corporate, individual, estates, trusts, I also as an

1 attorney prepare legal contracts for sales and
2 acquisitions of business.

3 q Are you familiar with someone named Vince
4 Dibenedetto?

5 A I am.

6 q How are you familiar with Mr. Dibenedetto?

7 A I've known Mr. Dibenedetto for about 40 years.
8 We've done work for him for probably 20 years.

9 q What types of work have you done for Dibenedetto?

10 A I've done tax work, I've done legal work.

11 q Is Dibenedetto your only client?

12 A No, sir.

13 q Do you have a number of our clients, as well?

14 A Mr. Dibenedetto would be a small fraction of our
15 practice.

16 q And in terms of the tax returns you did for
17 Dibenedetto, what types of tax returns would you do?

18 A We would do personal income tax returns,
19 partnership tax returns, corporate tax returns.

20 q As part of -- and did you personally work on
21 preparing those tax returns?

22 A Yes.

23 q As part of the process of preparing those tax
24 returns, did you get information about Dibenedetto's
25 income?

1 A Yes.

2 q Does Dibenedetto have a number of corporate
3 entities that he controls or has ownership interests
4 in?

5 A He does.

6 q And as a result of working on his tax returns
7 over the last 20 years, are you generally familiar
8 with the types of businesses that Dibenedetto has
9 worked in during that time?

10 A Yes, I am.

11 q Has Dibenedetto ever worked in the insurance
12 business?

13 A Yes.

14 q And about when was that?

15 A I'm guessing, but he -- he had a job at Blue
16 Cross, Illinois Blue Cross and Blue Shield a number
17 of years back. He was probably there about 5 or
18 10 years. He left, went on his own, formed a
19 company which did extremely well, and from there he
20 just went into other entities.

21 q So when he worked at Blue Cross/Blue Shield was
22 he in the insurance business?

23 A Yes.

24 q And you mentioned he worked with another business
25 after that, is that right?

1 A Yes.

2 q Are you familiar with a company called Discount
3 Development?

4 A Yes, I am.

5 q What did Discount Development do?

6 A That was similar to what you might call an HMO
7 but they had vendors on one side -- for example,
8 they might have a group of chiropractors, a group of
9 optometrists, various groups they call vendors and
10 then they would hook them up with a client. They
11 might hook them up with a large corporation that had
12 1,000 employees, 2,000 employees.

13 Discount Development was the middle person.
14 They would do the administration. They would sell
15 for very nominal rate what they called a discount
16 card where the employees of the various corporations
17 could take that card to one of maybe 1,000 or 2,000
18 chiropractors and get the services done at a
19 discount.

20 q And about how long was Dibenedetto involved in
21 that business?

22 A I would guess about 10 years.

23 q Are you familiar with a company called DD
24 Management Services?

25 A I am.

1 q What is DD Management Services?

2 A DD Management Services is what you might think of
3 as a holding company. It owns a number of other
4 companies or subsidiaries, if you will.

5 q Were you involved in the information of DD
6 Management Services?

7 A Yes, I was. I formed that LLC.

8 q Who directed you to form -- and when you say LLC,
9 what is that?

10 A A limited liability company. It's just another
11 form of operating business other than a corporation
12 or a limited partnership.

13 q Was DD Management Services an LLC?

14 A Yes, it was.

15 q Who directed you to form that company?

16 A Mr. Dibenedetto.

17 q About when was DD Management Services created?

18 A That was created in -- let's see, that would be
19 the beginning of '03. Maybe around February of '03.

20 q Who owns DD Management Services?

21 A DD Management Services was owned by a number of
22 individuals, members, owners. 55 percent was owned
23 by another LLC that were Mr. Dibenedetto's children
24 and the remaining percentages were owned by four or
25 five other various people or entities.

1 q And in 2003 who controlled DD Management
2 Services?

3 A The LLC that was owned by Mr. Dibenedetto's
4 children.

5 q And, in practice, what person directed the
6 activities of the company?

7 A In effect, Mr. Dibenedetto.

8 q Why was DD Management Services created?

9 A Originally -- well, it was created to acquire, to
10 buy various other insurance entities, insurance
11 agencies.

12 q Did DD Management Services, in fact, purchase any
13 other insurance agency?

14 A Yes, it did.

15 q Are you familiar with a company called Kaercher
16 Insurance Agency?

17 A Yes.

18 q What was Kaercher Insurance Agency?

19 A Kaercher Insurance Agency was a Las Vegas
20 corporation that was part of the Near North
21 conglomerate, if you will, that was purchased by DD
22 Management.

23 q Did Kaercher have offices in Las Vegas?

24 A Yes.

25 q And was Kaercher Insurance one of the companies

1 that DD Management Services bought?

2 A Yes.

3 q Are you familiar with a company called Campbell &
4 Associates Insurance Brokerage?

5 A Yes.

6 q what was Campbell & Associates?

7 A Campbell & Associates was another Near North
8 entity that was also purchased by DD Management
9 Services.

10 q where was Campbell & Associates located?

11 A Los Angeles.

12 q And I think you've described, there's a company
13 called Near North, is that correct?

14 A Yes.

15 q where did DD Management Services buy both the
16 Campbell company and the Kaercher company?

17 A well, Near North was Chicago based, but they had
18 offices all over the place. Two of the offices were
19 in Las Vegas and Los Angeles.

20 q And what was -- was there a larger company called
21 Near North?

22 A Near North Title, Near North Title Company.

23 q what did that company do?

24 A well, years ago it started out as a title
25 insurance but it wound up being just an insurance

1 conglomerate, insurance agencies.

2 q who owned Near North?

3 A Mickey Siegel.

4 MR. GOLDSTEIN: Objection.

:45PM

5 MR. NIEWOEHRER: I heard an objection.

6 THE COURT: What's your next question?

7 MR. NIEWOEHRER: Just the location of where
8 Mr. Siegel lived.

9 THE COURT: You're objecting to that?

:45PM

10 MR. GOLDSTEIN: Yes.

11 THE COURT: Sustained.

12 BY MR. NIEWOEHRER:

13 q Was Near North an Illinois based company?

14 A Yes.

:45PM

15 q In 2004, had Campbell, the Campbell insurance
16 company and the Kaercher insurance company recently
17 become available for purchase?

18 A They did.

19 q What was your role in those purchases?

:45PM

20 A I was involved in the legal transaction at the
21 request of Mr. Dibenedetto. I represented him as
22 the buyer.

23 q And as the attorney, what types of things did you
24 do in those transactions?

:46PM

25 A With the Las Vegas acquisition, that was owned 80

Pope - direct by Niewoehner

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1 percent by Near North and 20 percent by another
2 individual by the name of Alan Kaercher. We
3 purchased the stock of Near North. So we became the
4 stockholder, the 80 percent owner taking out the
5 Near North interest. When I say "we" I mean DD
6 Management Services, LLC.

7 q And were there contracts relating to that
8 transaction?

9 A Yes.

10 q Were you involved in creating those contracts?

11 A I was.

12 MR. NIEWOEHRER: Your Honor, may I approach?

13 THE COURT: You may.

14 MR. NIEWOEHRER: And, Your Honor, may I also
15 move into evidence Government Exhibit Kaercher
16 contract pursuant to 90211 certificate?

17 THE COURT: Without objection, yes.

18 (Government's Exhibit Kaercher contract was
19 received in evidence.)

20 MR. NIEWOEHRER: May I publish that exhibit?

21 THE COURT: You may.

22 (Exhibit published to the jury.)

23 BY MR. NIEWOEHRER:

24 q And, Mr. Pope, if you could look at about the
25 third page of the exhibit, the lower right hand

1 corner you're going to see the number EG 1197
2 underscore 106.

3 Do you see that? we'll also put it up on the
4 screen for you if it's easier for you to find.

:47PM

5 A I'm looking for 106.

6 I do see it, yes.

7 q If you could look at the very top of the page,
8 and it's something called stock purchase agreement,
9 do you see that?

:47PM

10 A Yes.

11 q And what is this contract?

12 A This is a contract for the purchase of the 80
13 percent stock ownership that Near North owned. Near
14 North sold their stock to DD Management Services.
15 Nothing else changed, the corporation stayed in
16 place, it just -- it just got an additional
17 stockholder to replace Near North.

:48PM

18 q Okay. And if you look down, there's a section
19 that says:

:48PM

20

21 "Recitals."

22 and it talks about:

23 "... Kaercher Insurance Agency, Inc., a Nevada
24 corporation is engaged in the insurance
25 brokerage business primarily in the state of

:48PM

1 Nevada."

2 Do you see that line?

3 A Yes, I do.

4 Q Which stock was this contract dealing with or
5 what company's stock?

6 A This would be the stock of Near North of Nevada
7 that was owned 80 percent by, I guess, Near North of
8 Chicago and 20 percent by Alan Kaercher.

9 Q Okay. And then that Near North of Nevada owned
10 this Kaercher Insurance entity, is that correct?
11 Prior to this transaction?

12 A Near North and Nevada is the name of the company,
13 the shareholder would've been -- if you look in the
14 back of this document --

15 Q Well, let me ask a different question, okay.

16 A Yes.

17 Q At the first line there is something that says
18 stock purchase agreement dated as of September 26th,
19 2003, do you see that?

20 A Yes.

21 Q And about when was this stock purchase agreement
22 executed?

23 A September 26, '03, that's when the transaction
24 closed.

25 Q And who is the seller in this transaction?

1 A The seller would be Near North of Nevada.

2 q Who is the purchaser?

3 A The purchaser would be DD Management Services.

4 q And was there negotiations for some time before
5 September 26th of 2003 about this transaction?

6 A Yes.

7 q And about what time period were those
8 negotiations going on?

9 A I'm guessing four or five, six months.

10 q And if you could turn--you may find it easier to
11 follow along on the screen--to the page that says
12 123 in the lower right hand corner.

13 A That's Michael Siegel's signature.

14 q And is that on behalf of Near North of Nevada?

15 A Yes.

16 q And if you look at the next page and looking at
17 the signature block under DD Management Services,
18 LLC, what name is there?

19 A Vince Dibenedetto.

20 MR. NIEWOEHRER: Your Honor, may I approach
21 again?

22 THE COURT: You may.

23 MR. NIEWOEHRER: And I also move into
24 evidence Government Exhibit Campbell Contract
25 pursuant to 90211 certificate.

1 THE COURT: Without objection, it's admitted.
2 (Government's Exhibit Campbell Contract was
3 received in evidence.)

4 MR. NIEWOEHRER: May I publish, Your Honor?

5 THE COURT: You may.

6 (Exhibit published to the jury.)

7 BY MR. NIEWOEHRER:

8 Q Now, were you involved -- you talked before about
9 the purchase of this insurance company called
10 Campbell, is that right?

11 A Yes.

12 Q And what is Government Exhibit Insurance Campbell
13 Contract?

14 A This is an asset purchase agreement.

15 Q What is an asset purchase agreement?

16 A It's just the opposite of the other one. In
17 other words, instead of buying the stock in the
18 company where the company stays intact, what you're
19 doing is buying the assets from the company and then
20 that company goes away.

21 So what happened here is that this entity
22 sold the assets to DD Management Services and it's
23 two subsidiaries, Campbell Entertainment and
24 Campbell Insurance.

25 Q Okay. And if you look at the top of the screen,

1 there's a date here on the second line, do you see
2 that?

3 A December 11th, '03.

4 q what does that date represent?

5 A That's the date this agreement closed.

6 q who is the seller in this transaction?

7 A Near North Insurance Brokerage of California.

8 q So is this a California insurance company you
9 were talking about before?

10 A Yes.

11 q And the assets that are being sold, what assets
12 were they?

13 A well, you're talking about cash, there was a
14 large amount of cash; you're talking about
15 computers, office furniture, fixtures. The big item
16 was the client list.

17 q what client list?

18 A The insurance contracts in place, all those
19 clients.

20 q And, ultimately, what company ended up owning
21 these Campbell insurance companies?

22 A DD Management, as I mentioned earlier, could be
23 thought of as a holding company. It formed two
24 California LLC companies as subsidiaries, so to
25 speak; these assets were transferred to those two

1 subsidiary companies LLC's.

2 q So, ultimately, DD Management Services through
3 some other company owned that insurance company?

4 A Yes.

5 q And who is the person who executed this contract
6 for DD Management Services?

7 A (No response.)

8 q If you look at the page that has 22 on it.
9 we'll show it up on the screen.

10 A That would be Vince Dibenedetto as the manger of
11 DD Management Services.

12 q Now, were there negotiations prior to December
13 of 2003 about this transaction?

14 A Yes, same as the other one.

15 q About what time frame were those negotiations?

16 A Four, five, six months.

17 q Now, did Dibenedetto also form a company to do
18 insurance business in Illinois?

19 A Yes.

20 q Was that also a company that was owned by DD
21 Management Services?

22 A Yes.

23 q Are you familiar with a company called Kaercher,
24 Campbell & Associates Brokerage, LLC?

25 A Yes.

1 q What is that?

2 A That is an Illinois LLC that was formed to buy
3 two other insurance agencies that were rolled in to
4 that LLC. The owners of those two businesses became
5 members, owners of this new company.

6 q And this new company, was that owned by DD
7 Management Services?

8 A Yes, DD Management owned the majority interest.

9 q And was this an insurance company also?

10 A Yes, an insurance agency.

11 q And who caused this insurance agency to be
12 obtained by DD Management Services?

13 A Vince Dibenedetto.

14 q Did you do tax returns for Vince Dibenedetto?

15 A Yes, I did.

16 MR. NIEWOEHRER: Your Honor, may I approach?

17 THE COURT: You may.

18 BY MR. NIEWOEHRER:

19 q I'm going to show you what's been marked as
20 Government Exhibit Kaercher, Campbell Tax Returns.

21 A Our office prepared this tax return.

22 q And is this a tax return you prepared for
23 Kaercher, Campbell?

24 A Yes.

25 q Kaercher, Campbell & Associates Brokerage, LLC?

Pope - direct by Niewoehner

1758

1 A Yes, it is.

2 q Is it your office's practice to keep copies of
3 the tax returns you file?

4 A Yes.

5 q Are the returns made by people with knowledge of
6 the information or from information transmitted by a
7 person with knowledge?

8 A Yes, they are.

9 q And are they made at or near the time that's
10 shown on the return?

11 A Yes.

12 q Are those returns kept in the normal course of
13 your business?

14 A They are.

15 MR. NIEWOEHNER: Your Honor, the government
16 moves into evidence Government Exhibit Kaercher,
17 Campbell Tax Returns.

18 THE COURT: Without objection.
19 (Government's Exhibit Kaercher, Campbell Tax
20 Returns received in evidence.)

21 MR. NIEWOEHNER: May we publish?

22 THE COURT: You may.

23 (Exhibit published to the jury.)

24 BY MR. NIEWOEHNER:

25 q I'm going to focus your attention to the top

1 portion of the page and in the upper right hand
2 corner there's 2005, do you see?

3 A I do.

4 q what does that represent?

5 A That represents the calendar year '05, that is
6 the year which this return is being filed.

7 q And what entity's tax return is this?

8 A Kaercher Campbell & Associates Brokerage, that's
9 the Illinois LLC.

10 q who directed you to prepare this return?

11 A Mr. Dibenedetto.

12 q Now, on the right-hand column there's a box,
13 about three boxes down that says:

14 "E, date business started."

15 Do you see that?

16 A I do.

17 q what's reflected in that box?

18 A On June 11 '04, that would be the date that this
19 LLC was formed, the date these articles of
20 organization were filed with the Illinois Secretary
21 of State's office.

22 q So prior to that date Kaercher, Campbell &
23 Associates Brokerage, LLC, didn't exist?

24 A That is correct.

25 q Now, is this the first tax return that was filed

1 for this company?

2 A Yes, it is.

3 q How do you know that?

4 A The initial return box is checked over to the
5 left about three inches from the top, four inches
6 down.

7 q Okay. So four lines from the bottom on the left
8 hand corner there is something that says "initial
9 return" and there's a check in the box?

10 A Yes.

11 q And what does that mean?

12 A That means that this is the first return. There
13 is no previous tax return for this entity.

14 q And if this entity had done business in the year
15 2004, did Dibenedetto -- would Dibenedetto have
16 filed a tax return?

17 A Yes, he would've; or perhaps the other partners
18 where the companies were rolled in would've prepared
19 something on their returns.

20 q Now, were there other investors other than
21 Mr. Dibenedetto who owned portions of DD Management
22 Services?

23 A Yes.

24 q Are you familiar with somebody named Antoin
25 Rezko?

1 A I know the name.

2 q How do you know that name?

3 A Mr. Dibenedetto got involved with a real estate
4 project at Roosevelt and Clark with Mr. Rezko, that
5 is how I know his name, and other than what you read
6 in the papers, I've never met him or talked to him.

7 q Okay. Just focus on what you learned in the
8 course of your business practices, okay?

9 A Yes.

10 q You mentioned there was a project that
11 Mr. Dibenedetto was involved in with Mr. Rezko. Do
12 you know the name of that project?

13 A The name of the Rezko project was Roosevelt,
14 Clark Development, LP, that was a limited
15 partnership with two general partners, Rezko and
16 Mahru.

17 q What did that entity do?

18 A They had some undeveloped real estate at roughly
19 around Clark and Roosevelt that I guess they were
20 going to develop and they were looking for
21 investors; limited partners, if you will.

22 q Did Dibenedetto or his family invest in that
23 project?

24 A They did.

25 q Were you involved in that?

1 A I was.

2 q How were you involved?

3 A Dibenedetto and a number of his associates formed
4 another LLC called Roosevelt Road, LLC and he, in
5 turn, raised a million dollars that went into this
6 Roosevelt Road, LLC; that was then invested in the
7 other limited partnership that we were just talking
8 about, Roosevelt, Clark Development, LP.

9 q So did Dibenedetto's group invest money in
10 Rezko's project?

11 A They did.

12 q That totaled about a million dollars?

13 A Yes.

14 q And about when did that million-dollar investment
15 get made?

16 A That would've been around May of -- let's see,
17 May of '05 -- no, May of '02. May of '02.

18 q May of 2002?

19 A Yes.

20 q So were you involved in the investment at around
21 that time?

22 A Yes, I was.

23 q And as of 2005 was Dibenedetto's group still
24 invested in this Rezko project?

25 A They were.

Pope - direct by cross by Sorosky

1763

1 q To your knowledge, did Rezko himself have any
2 ownership interest in DD Management Services or any
3 other companies that it owned?

4 A To my knowledge, he did not.

5 q Did Dibenedetto ever suggest to you that Rezko
6 did have some kind of ownership interest?

7 A He did not.

8 q If Rezko were going to be an owner of record of
9 DD Management Services or any of its subsidiaries,
10 would you have known that?

11 A I would know if it was on the legal documentation
12 because I prepared probably 99 percent of any legal
13 documentation that he's gotten himself into.

14 q And if Dibenedetto had an agreement with Rezko
15 which was a side agreement, would you have known
16 about that?

17 A Not necessarily, not unless Mr. Dibenedetto told
18 me about it.

19 q Did he ever tell you about one?

20 A He did not.

21 MR. NIEWOEHNER: No further questions, Your
22 Honor.

23 CROSS EXAMINATION

24 BY MR. SOROSKY:

25 q How are you?

1 A I'm fine. How are you?

2 q Good to see you.

3 Now, Mr. Pope, I understand that you're an
4 attorney, is that correct?

5 A I am.

6 q And you're also a CPA, is that correct?

7 A Yes, I am.

8 q And to quote you, you're a tax guy, right?

9 A That's what I've been called from time to time.

10 q Right.

11 So would I be accurate in saying most of your
12 work involves representing people in relation to our
13 tax laws as opposed to a lawyer like Mr. Adam who
14 sits here in court representing people?

15 A That would be a correct statement.

16 q Okay. Thank you.

17 Now, and there had been two men that had been
18 talked about a great deal in your questioning by the
19 government, one man's name was Antoin Rezko, is that
20 correct?

21 A Yes.

22 q And the other man's name was Vincent Dibenedetto,
23 is that correct?

24 A Yes.

25 q And I believe your testimony was very clearly

1 that you did not know Mr. Rezko.

2 A That is correct.

3 q And I believe your testimony was just the
4 opposite concerning Mr. Dibenedetto in that you've
5 indicated to the ladies and gentlemen of the jury
6 that you knew Mr. -- that you knew Mr. Vince
7 Dibenedetto for a long period of time, is that
8 correct?

9 A Yes, sir.

10 q So to make it a little easier on me, can we call
11 Mr. Dibenedetto "Vince," is that okay?

12 A That would be fine.

13 q And I'm sure you call him Vince.

14 A I do.

15 q Good.

16 Now, for how long have you represented Vince,
17 approximately?

18 A I'm guessing about 20 years.

19 q Okay. And is Vince a lawyer?

20 A Vince is not.

21 q Is Vince a CPA?

22 A He is not.

23 q So Vince is a successful businessman but he's not
24 skilled in the areas that you are, particularly tax
25 law, would that be correct?

1 A He's not as skilled.

2 q So Vince turns to you for advice in law and
3 taxes, does he not?

4 A He does.

:05PM

5 q Now, and you certainly have a very, very good and
6 close relationship with Vince, do you not?

7 A Yes.

:05PM

8 q And when you first began, he was sort of
9 beginning somewhat financially and right now at this
10 stage of his career he's a pretty successful man
11 financially, is he not?

12 A I would say so.

13 q So you have been assisting Vince and perhaps even
14 the quarterback of his financial rise to some
15 extent, have you not?

:06PM

16 A I don't know if I would go that far, but ...

17 q You certainly have been a key coach?

18 A Okay.

:06PM

19 q And so he would certainly turn to you for advice,
20 would he not?

21 A Sometimes.

22 q And he certainly would trust you, would he not?

23 A Yes.

:06PM

24 q Now, I believe you said Vince first began working
25 for Blue Cross and Blue Shield?

1 A Yes.

2 q And that's an insurance company. We all know
3 Blue Cross and Blue Shield; is that correct?

4 A Yes.

5 q And approximately how long did he work for Blue
6 Cross and Blue Shield?

7 A I'd be guessing, I'd say 5 to 10 years.

8 q And then after he worked for Blue Cross and Blue
9 Shield, did he form his own health insurance

10 company?

11 A Actually it wasn't an insurance company.

12 Discount cards are not considered insurance, but he
13 did form his own company, yes.

14 q And I believe you said, and once again to put
15 this in street talk, he kinda connected up people,
16 ordinary people with doctors or experts who provided
17 medical services, is that correct?

18 A It could -- it goes beyond medical. I mean,
19 clubs, all sorts of different things.

20 q Okay. And for how long did Vince have this
21 company?

22 A I would guess 5 to 10 years. Probably closer to
23 10 years.

24 q And then did he sell this company?

25 A He did.

1 q And did he make a significant or huge profit in
2 the selling of his company?

3 A Yes, he did.

4 q And then once -- and Vince sold this company to a
5 big corporation, is that correct?

6 A Yes.

7 q And the corporation kept him on as an employee
8 because Vince was so good at what he was doing,
9 right?

10 A They kept him on, yes.

11 q And is Vince still employed with this company?

12 A Yes, he is.

13 q Now, separate and -- what's the name of this
14 company, just so we're clear.

15 A It was back then known as Member Works, it was
16 registered on the NASDAQ, it's now known as Cover
17 Dough.

18 q Okay. Now, in addition to Vince being an
19 employee of this company now or an executive of this
20 company, whatever, I believe your testimony was that
21 he, Vince, created a holding company, is that
22 correct?

23 A Yes.

24 q And I believe you said a holding company is a
25 holding which literally buys up and holds other

1 companies who actually run things or do things,
2 right?

3 A Yeah. As opposed to an operating company, it
4 would own companies that actually are operating.

5 q So Vince created a holding company which, in
6 effect, bought various operating companies, is that
7 correct?

8 A Yes.

9 q And Vince, in plain street talk, made his
10 children be, in fact, legal owners or majority legal
11 owners of this holding company, right?

12 A That's a correct statement.

13 q But even though his children are the actual legal
14 owners, Vince is the power behind the throne, he
15 would be the one who runs the show, would you say?

16 A I would say.

17 q Now, and I believe as you've already stated,
18 Vince's background and where Vince made his money
19 was insurance, is that correct? In the insurance
20 business?

21 A It's the discount card thing where he made his
22 big score, if you want to use that word.

23 q Right. In the discount business; fine.

24 Now, completely unrelated to Vince, there was
25 an insurance agency in Chicago known as Near North

1 Insurance, is that correct?

2 A Yes.

3 q And Near North Insurance was a

4 multi-million-dollar company that had insurance

5 agencies in different cities throughout the United

6 States, is that correct?

7 A Yes.

8 q And through circumstances completely unrelated to

9 this case, Near North Insurance Company was breaking

10 up, is that correct?

11 A That is correct.

12 q And there were business opportunities for

13 businessmen in the insurance business to buy certain

14 portions of Near North Insurance, is that correct?

15 A Yes.

16 q And would it be accurate to say that Vince,

17 through this holding company he created, bought the

18 Near North Insurance Company office in Las Vegas and

19 in the Near North Insurance Company in Los Angeles,

20 is that correct?

21 A That is correct.

22 q And completely unrelated to all this insurance

23 business, Vince invested some money in a real estate

24 development, is that correct?

25 A Yes.

Pope - direct by cross by Sorosky

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1 MR. NIEWOEHNER: Objection.

2 THE COURT: The grounds?

3 MR. NIEWOEHNER: Completely unrelated, the
4 basis and knowledge for the witness to know if it's
5 related or not.

6 MR. SOROSKY: I'll rephrase the question.

7 BY MR. SOROSKY:

8 Q Vince invested money in a real estate venture,
9 did he not?

10 A He did.

11 Q And this real estate venture was at Clark and
12 Roosevelt Road in Chicago, Illinois?

13 A Yes.

14 Q That would be just approximately perhaps a mile
15 south of this building in an area known as the South
16 Loop of Chicago, right?

17 A Yes.

18 Q This was a development to be sort of like a
19 mini-city, right? For homes and businesses, that
20 type of thing, right?

21 A I'm not sure exactly what it was going to be, but
22 that's probably a fair statement.

23 Q And I believe you said you created a limited
24 liability corporation for Vince for this real estate
25 investment and Vince invested a million dollars in

1 this real estate venture, let's just call it the
2 Clark, Roosevelt Road real estate venture, is that
3 correct?

4 A I created an LLC, a limited liability company by
5 the name of Roosevelt Road, LLC, in which Vince
6 invested \$150,000 out of the total 1 million-dollar
7 investment.

8 q So other people also invested?

9 A That is correct.

10 q And to the best of your knowledge, to put it in
11 street talk, the main owner of this Roosevelt, Clark
12 real estate development was a man by the name of
13 Tony Rezko, is that correct?

14 A I believe there were two people involved, two
15 general partners, Rezko and Mahru.

16 q Rezko and a Mr. Mahru?

17 A That's what I thought.

18 q Okay. Now, when Vince bought this -- now, Vince
19 invested in this real estate venture in 2002, is
20 that correct?

21 A Yes.

22 q And it was approximately two years later, two
23 years after this real estate investment that Vince
24 decided to buy these Near North Insurance Company
25 entities, did he not?

1 A Yes.

2 q And did Vince ever tell you that this man who he
3 had invested in the real estate venture with was
4 going to be some sort of silent partner in this
5 insurance venture?

6 A what man are you talking about?

7 q what?

8 A what man are you talking about?

9 q Tony Rezko.

10 A He did not.

11 q Did you ever have the slightest indication from
12 your client of 20 to 30 years that Tony Rezko was
13 going to be some sort of secret partner in this
14 deal?

15 A I did not.

16 q Now, did Vince ever tell you that he was forming
17 this insurance company because he had some secret
18 plan to get state business?

19 A No.

20 q And, in fact, as successful as Vince was in
21 business, these holding company insurance ventures
22 that he bought of Near North, they really weren't
23 doing that well, were they?

24 A They'd been under water for a number of years.

25 q So that would be not doing that well financially,

1 right?

2 A Yes, that would be correct.

3 q And if they all of a sudden got some big state
4 insurance contracts, that would take them from under
5 water to pretty successful, wouldn't it?

6 MR. NIEWOEHNER: Objection, Your Honor.

7 THE COURT: The objection is sustained.

8 MR. SOROSKY: Pardon me?

9 THE COURT: The objection is sustained.

10 MR. SOROSKY: Okay.

11 BY MR. SOROSKY:

12 q Well, you never -- to the best of your knowledge,
13 these insurance companies that Vince bought, these
14 Near North purchases, they don't have any big
15 contracts with the state, big financial contracts or
16 big money-earning contracts with the State of
17 Illinois, do they?

18 MR. NIEWOEHNER: Objection.

19 THE COURT: The objection is sustained.

20 BY MR. SOROSKY:

21 q Vince never told you: Oh, we made be under water
22 now but there are brighter days ahead, we're going
23 to get some fat contracts by the state, did he?

24 A He did not.

25 MR. NIEWOEHNER: Objection.

Cari - direct by Schar

1775

1 THE COURT: Grounds for your objection?

2 MR. SOROSKY: Nothing further.

3 THE COURT: well --

4 It's fine.

5 MR. NIEWOEHNER: Nothing further, Your Honor.

6 THE COURT: You may step down.

7 (Witness excused.)

8 THE COURT: A witness?

9 MR. SCHAR: Yes, the government calls Joseph

10 Cari.

11 THE COURT: Raise your right hand.

12 (Witness duly sworn.)

13 THE COURT: Please be seated.

14 (Witness duly sworn.)

15 JOSEPH CARI, GOVERNMENT'S WITNESS, SWORN

16 DIRECT EXAMINATION

17 BY MR. SCHAR:

18 Q Please state your name and spell your last name.

19 A Joseph Cari, C-a-r-i is the spelling of my last

20 name.

21 Q How old are you?

22 A 57.

23 Q What do you do for a living?

24 A I'm a consultant to a Merchant Bank.

25 Q How long have you been consulting to the Merchant

Cari - direct by Schar

1776

1 Bank?

2 A 5 years.

3 q Are you a lawyer by training, Mr. Cari?

4 A I am.

5 q What was the last law firm in which you worked
6 under?

7 A Ungaretti & Harris.

8 q What was your position in that law firm?

9 A I was a member of the executive committee of the
10 law firm and partner.

11 q What type of law did you practice at Ungaretti &
12 Harris?

13 A Corporate regulatory law.

14 q Can you explain to us what that means.

15 A Yes, I would advise clients on how to deal with a
16 variety of government regulations as to how it would
17 or could affect their business.

18 q Mr. Cari, I want to direct your attention to the
19 spring of 2004.

20 During that time period, did you participate
21 in an attempt to extort money from a company called
22 JER in relation to JER's efforts to obtain
23 investment money from the Teacher Retirement System
24 in Illinois?

25 A I did.

Cari - direct by Schar

1777

1 q Based on that involvement of extortion, Mr. Cari,
2 were you indicted?

3 A Yes.

4 q Were you indicted for attempted extortion?

5 A Yes.

6 q I direct your attention now to September 15,
7 2005.

8 Did you plead guilty in federal Court to the
9 attempted extortion of JER in relation to the
10 Teachers Retirement System?

11 A Yes, sir.

12 q More specifically, sir, did you plead guilty to
13 assisting Stuart Levine in an official position with
14 the Teachers Retirement System to threaten economic
15 harm to JER so that JER would pay money?

16 A Yes, sir.

17 q At the time that you pled guilty, Mr. Cari, did
18 you enter into a plea agreement with the United
19 States?

20 A I did.

21 q In that plea agreement, did you make certain
22 promises?

23 A I did.

24 q What, Mr. Cari, did you promise to do?

25 A To tell the truth.

Cari - direct by Schar

1778

1 q Have you been sentenced yet?

2 A No, sir.

3 q What is your understanding of the sentence that
4 you are facing if you had not cooperated with the
5 government?

6 A A sentence of up to 6 years.

7 q In return for your cooperation, what did you
8 understand the government will do at the time
9 of sentencing?

10 A The government will recommend a sentence of 2 and
11 a half years.

12 q Is your lawyer free to recommend any sentence
13 that your lawyer and you think are appropriate?

14 A Yes.

15 q What do you have to do in order for the
16 government to make the motion to reduce your
17 sentence?

18 A To tell the truth.

19 q Who decides whether you actually receive a
20 reduced sentence?

21 A Judge St. Eve.

22 q Is that another federal judge in this building?

23 A Yes, sir.

24 q While you were at Ungaretti & Harris, Mr. Cari,
25 were you also affiliated with a private equity firm?

Cari - direct by Schar

1779

1 A Yes, sir.

2 q What was the name of the private equity firm?

3 A Healthpoint Capital.

4 q Just by way of background, what is a private
5 equity firm?

6 A A private equity firm is a business that collects
7 a variety of pension funds and money, capital, from
8 a variety of institutions and invests that money
9 into certain strategic investments to get a high
10 return for those pension funds and institutions.

11 q Where was Healthpoint itself located?

12 A New York City.

13 q What was your position with Healthpoint Capital?

14 A I was on the board of directors of the firm and
15 also a managing director.

16 q In terms of a private equity firm, what was
17 Healthpoint Capital's business?

18 A We specialized in investing in medical devices.

19 q How did Healthpoint Capital go about raising
20 money to invest?

21 A We went around the country and presented our
22 credentials to a variety of family offices and
23 public pension funds.

24 q And directing your attention to the fall of 2002,
25 Mr. Cari, at that time did you have interaction

Cari - direct by Schar

1780

1 with the state board called the Teachers Retirement
2 Systems?

3 A I did.

4 q If I sometimes refer to it as TRS, would you
5 understand what I'm talking about?

6 A I do, sir.

7 q Just by way of background, briefly, if you could,
8 what is TRS?

9 A Teachers Retirement System is the government
10 institution or a pension fund that takes all of the
11 retirement funds for the -- for various teachers in
12 Illinois, invests that money so those teachers are
13 insured of having pensions when they retire.

14 q Why were you interested in TRS in the fall
15 of 2002?

16 A Because we thought that TRS was a good
17 possibility, a source of capital for Healthpoint to
18 manage and invest.

19 q And when you say "we," you are referring to
20 Healthpoint?

21 A I am, sir.

22 q At some point did you happen to meet an
23 individual named Stuart Levine?

24 A I did.

25 q About when did you meet Stuart Levine?

1 A In the fall of 2002.

2 q How did you come to meet Mr. Levine?

3 A A law partner of mine was hosting a fundraiser
4 for Jim Ryan, who was at that time the Republican
5 candidate for Governor, and Mr. Levine attended that
6 fundraiser.

7 q To your recollection, is that the first time you
8 met Mr. Levine?

9 A Yes, sir.

10 q Did you have any substantive conversation with
11 Mr. Levine at that fundraiser, to your knowledge?

12 A No.

13 q At the time of the fundraiser, did you know
14 whether Mr. Levine had a role in the TRS?

15 A Yes, I did.

16 q What role did you understand him to have?

17 A That he was a member of the board.

18 q When you say he's a member of the board, do the
19 board members of TRS decide how TRS money would be
20 invested?

21 A Yes, they are the ones who make the decision as
22 to where the investments go.

23 q Would it be fair to say that Mr. Levine had a
24 role in determining where TRS money was directed?

25 A Yes.

Cari - direct by Schar

1782

1 q When did the TRS board members like Mr. Levine
2 make decisions about investments?

3 A At public meetings.

4 q To your recollection of the time frame, about how
5 often were TRS board meetings where they would
6 consider potential investments?

7 A A couple of times year.

8 q Ultimately, was Mr. Levine helpful in getting
9 your company, Healthpoint, money from TRS?

10 A Yes, sir.

11 q Was there a board meeting set for approximately
12 in April of 2003?

13 A Yes, sir.

14 q Was Healthpoint attempting to get money from TRS
15 at that time?

16 A Yes, we presented our credentials at the meeting.

17 q Shortly before that meeting, did you have a
18 conversation with Mr. Levine about TRS investing
19 money in Healthpoint?

20 A Yes.

21 q Was this in person or over the phone?

22 A Over the phone.

23 q What did you and Mr. Levine Mr. Levine discuss?

24 A Mr. Levine shared with me that we would be on the
25 agenda at that meeting for us to present our

Cari - direct by Schar

1783

1 credentials and to get affirmation that we would get
2 capital from TRS into our fund.

3 q Did Mr. Levine give you any indication of whether
4 he would assist Healthpoint in actually getting
5 those monies?

6 A Yes.

7 q What did he say?

8 A That he was responsible for us being on the
9 agenda.

10 q Did TRS eventually approve several investments at
11 Healthpoint?

12 A It did.

13 q In total, approximately how much money did
14 Healthpoint receive from TRS?

15 A 30, 35 million.

16 q Are you familiar, Mr. Cari, with the term
17 "finder" or "introductory agent" or, generally
18 speaking, in this area of business
19 "consultant"?

20 A Yes, sir.

21 q Can you explain for us what a finder or
22 consultant is in the context of a company like
23 Healthpoint obtaining money from TRS.

24 A Certainly. A finder or a consultant will
25 identify, for a firm like Healthpoint, potential

1 public pension funds that would fit the criteria or
2 we would fit their criteria for investments.

3 That finder or that consultant would arrange
4 introductions, meetings, and try to move the process
5 along, ultimately, hopefully, for a fund to invest
6 in a firm like Healthpoint.

7 q Are finders and consultants typically paid?

8 A Yes.

9 q In your experience, how are they paid?

10 A Usually they're paid on a success-fee basis a
11 percentage of what net capital that was raised.

12 q A percentage if an investment is made?

13 A Yes, only if an investment is made.

14 q And at Healthpoint you've used finders or
15 consultants in the past to help it find potential
16 matches in terms of monies to invest?

17 A Yes.

18 q To your recollection, was a consultant used
19 specifically on the TRS money for Healthpoint?

20 A No, it wasn't.

21 q I want to move ahead now to August of 2003.

22 At that time did you have a conversation with
23 David Willhelm about Defendant Blagojevich and his
24 administration?

25 A I did.

Cari - direct by Schar

1785

1 q How did you know Mr. willhelm?

2 A David was and still is one of my closest personal
3 friends. Our friendship started in the mid 80's.
4 He is a close friend. He was a pallbearer for my
5 wife when she passed.

6 q Approximately when did your wife pass, Mr. Cari?

7 A Approximately she passed away 2002.

8 q And since that time have you been on various
9 medications related to depression?

10 A Yes.

11 q Are you currently taking both Paxil and
12 Bupropion?

13 A I am.

14 q And do you feel any effect on your ability to
15 remember events accurately?

16 A No.

17 q Any ability on your -- does it affect your
18 ability to perceive events accurately?

19 A No.

20 q At the time you were talking to Mr. willhelm, did
21 you understand him to have an affiliation with
22 Defendant Blagojevich?

23 A Yes.

24 q What was that?

25 A I knew that David had chaired the campaign for

Cari - direct by Schar

1786

1 Governor and had worked on the transition team.

2 q In relation to that conversation, was that
3 conversation in person or over the phone, to your
4 recollection?

5 A The conversation that --

6 q The one with Mr. Willhelm, if you remember.

7 A I'm not sure.

8 q What do you remember from the conversation?

9 A That David wanted me to -- to meet the people
10 around the Governor. I had supported the Governor's
11 opponent, Mr. Ryan, in the campaign, and that they
12 had thought it would be good idea for me to meet
13 with the individuals that were close to the
14 Governor.

15 q At this point Defendant Blagojevich won the
16 election against Mr. Ryan who was now a Governor?

17 A Yes. Yes, sir.

18 q What, if anything, did Mr. Willhelm tell you
19 about who the people close to Defendant Blagojevich
20 were?

21 A David shared with me that Mr. Kelly and Mr. Rezko
22 were the two closest confidants of the Governor,
23 very influential with the Governor, and that he
24 thought I should meet both of them.

25 q When you say Mr. Kelly, who are you referring to?

Cari - direct by Schar

1787

1 A Mr. Chris Kelly.

2 q And when you say Mr. Rezko, who are you referring
3 to?

4 A Mr. Tony Rezko.

5 q Did Mr. Willhelm ask you to go to a particular
6 meeting?

7 A Yes.

8 q Who did he ask you to meet?

9 A Mr. Kelly.

10 q What, if anything, did he indicate to you why he
11 wanted you to meet with Chris Kelly about?

12 A Just a general get-together. That the Governor
13 was just getting started in as Governor, may have
14 some national aspirations, and that it would be a
15 good meeting for -- for both of us.

16 q When you say national aspirations, what do you
17 mean by that?

18 A That the Governor had aspirations to run for
19 Presidency some day.

20 q Did you have some particular expertise, Mr. Cari,
21 in dealing with elections on a national level?

22 A Yes.

23 q What was your personal expertise at that time?

24 A In the 2000 Presidential election I was the
25 national finance chairman for the Democratic

Cari - direct by Schar

1788

1 National Committee for Vice President Gore's
2 campaign for the Presidency.

3 q what does that mean?

4 A I was responsible for overseeing, raising the
5 money to the primary and the general election on
6 behalf of Vice President.

7 q When you say Vice President, you are talking
8 about Vice President Gore at that time?

9 A Vice President Gore, yes.

10 q Did you, in fact, agree to meet with Chris Kelly?

11 A I did.

12 q Do you recall when you met with Mr. Kelly?

13 A It was probably about 1:30 in the afternoon.

14 q I'm sorry, do you remember the particular day?

15 A I -- I don't remember, but --

16 q Well, would it refresh your recollection to see a
17 copy of your calendar?

18 A It would.

19 MR. SCHAR: May I approach, Judge?

20 THE COURT: You may.

21 MR. SCHAR: I show the witness, Mr. Cari,
22 what's been marked Government Exhibit Cari Calendar
23 Group.

24 BY THE WITNESS:

25 A Yes, this refreshes my recollection.

Cari - direct by Schar

1789

1 BY MR. SCHAR:

2 Q And if I can take that back.

3 A Yes, sir.

4 Q Based on your Calendar and your recollection,
5 what was the date that you met with Mr. Kelly?

6 A August 20th.

7 Q 2003?

8 A Yes, sir.

9 Q Where did you meet with him?

10 A At a restaurant outside the Loop.

11 Q You don't remember the name of the restaurant?

12 A No, sir, I don't.

13 Q Was that the first time you ever met Chris Kelly?

14 A Yes, sir.

15 Q Who was present for the meeting?

16 A Mr. Kelly, David and myself.

17 Q By "David" you are talking about Mr. Wilhelm?

18 A I am.

19 Q What was discussed during the meeting?

20 A It was general conversation about politics. My
21 experience in the 2000 Presidential election, talked
22 about Florida, the recount, talked about the
23 Governor's race. Just a general kind of get
24 together with political talk.

25 Q When you say the Florida recount, just in

Cari - direct by Schar

1790

1 relation to your fundraising with Vice President
2 Gore, what are you referring to?

3 A The fact that I spent four weeks counting chats
4 in Florida in 2000.

5 q what you say "chats" --

6 A It's just a bad word.

7 q what had happened in 2000 that required a
8 recount?

9 well, you know, maybe that's an overly broad
10 question.

11 was there a disputed election in 2000 between
12 President Bush and Vice President Gore related--or
13 later President Bush--related to the Florida
14 election?

15 A Yes, there was.

16 q And did it require a recount of the Florida
17 ballots?

18 A Several times.

19 q Is that what you are referring to?

20 A Yes, sir.

21 q After discussing those variety of issues with
22 Mr. Kelly, Mr. Wilhelm, did the meeting end shortly
23 thereafter?

24 A It did.

25 q A couple of weeks later did you have dinner with

Cari - direct by Schar

1791

1 Stuart Levine?

2 A I did.

3 q Where was that dinner?

4 A The Palm Restaurant.

:35PM

5 q Where is the Palm Restaurant?

6 A It's in Chicago in one of the hotels on Wacker.

7 q Who was present for the dinner?

8 A Just Stuart, myself and Mr. Levine.

9 q What was discussed during the dinner?

:35PM

10 A Mr. Levine was very interested in trying to
11 understand the mechanisms in how you put together a
12 fundraising operation and that was the focus of most
13 of the dinner.

14 q What, if anything, was Mr. Levine following up
15 on?

:35PM

16 A That he was following up on my meeting with
17 Mr. Kelly.

18 q Had you, in fact, Mr. Cari, told Mr. Levine about
19 your meeting with Mr. Kelly?

:36PM

20 A No.

21 q Do you know how he found out?

22 A No.

23 q What, if anything, was Mr. Levine doing during
24 the dinner?

:36PM

25 A For a big part of the dinner he was taking notes

1 as I was describing the kinds of organization and
2 the functions of different parts of the organization
3 when it comes to fundraising.

4 q what, if anything, did Mr. Levine tell you what
5 he was going to do with his notes?

6 A He was going to share it with Mr. Rezko.

7 q what, if anything, did Mr. Levine tell you about
8 his relationship with Mr. Rezko or the help
9 Mr. Rezko provided to him?

10 A That Mr. Rezko was a long-time business associate
11 and close friend and that Mr. Rezko was responsible
12 for Mr. Levine being on the state board.

13 q Moving head, did there come a time that you agree
14 to assist for a fundraiser in New York City for
15 Defendant Blagojevich?

16 A Yes, sir.

17 q How did that involvement of fundraiser come
18 about?

19 A It started with a conversation with my friend,
20 David wilhelm.

21 q Did you think it was a good idea to raise money
22 for Defendant Blagojevich?

23 A Yes.

24 q why?

25 A well, several reasons:

Cari - direct by Schar

1793

1 One, as member of the Executive Committee of
2 my law firm, we represent a variety of clients that
3 have interests before the state and its agencies.

4 And, secondly, as a managing director of a
5 private equity firm, we had interests before several
6 of the state pension boards.

7 Q After agreeing to assist in the fundraiser, what
8 did you do?

9 A I called Carl McCall who was a managing director
10 also of Healthpoint Capital. Carl lived in New York
11 and Carl was the former state comptroller of the
12 State of New York and the Democratic candidate for
13 Governor in New York in 2002.

14 Q Through Mr. McCall, did you begin a process to
15 begin a New York fundraiser for defendant
16 Blagojevich?

17 A Yes, Carl took the lead and really pulled it
18 together.

19 Q And at some point prior to the fundraiser, did
20 you have breakfast with Mr. Levine in the Four
21 Seasons here in Chicago?

22 A I did.

23 Q As you sit here now, do you recall a particular
24 date?

25 A I don't.

Cari - direct by Schar

1794

1 q And would it refresh your recollection to see
2 your calendar?

3 A Yes, sir.

4 MR. SCHAR: May I approach again, Judge?

5 THE COURT: You may.

6 MR. SCHAR: Again, showing the witness what's
7 been marked Government Exhibit Cari Calendar Group.

8 BY MR. SCHAR:

9 q I ask you to take a look at that.

10 A Thank you.

11 q Does that refresh your recollection as to the
12 date of your breakfast with Mr. Levine?

13 A Yes, sir.

14 q what was the date of the breakfast?

15 A October 14th.

16 q what year?

17 A 2003.

18 q who is present for the breakfast?

19 A Just Mr. Levine and myself.

20 q what did you and Mr. Levine discuss at the
21 breakfast?

22 A Mr. Levine shared with me that he was very
23 excited about the upcoming New York fundraiser, and
24 that he was going to use his plane to fly the
25 Governor to New York and asked me if I would like to

1 go on the plane with them to New York.

2 q what was your response?

3 A Yes.

4 q Had you told Mr. Levine about the fundraiser at
5 this point?

6 A No.

7 q Did you know how he found out?

8 A No.

9 q I direct your attention to October 29th, 2003.

10 was that the day of the New York fundraiser?

11 A Yes.

12 q what happened that morning?

13 A I went to O'Hare Airport to an area where the
14 private planes were and waiting there was Stuart
15 Levine.

16 I went up to Stuart, said good morning, and
17 told him I was kind of excited seeing his plane and
18 being on a private plane.

19 q what was Mr. Levine's response?

20 A That this wasn't his plane, that he'd swapped it
21 out with somebody else and he was using somebody
22 else's plane for the trip to New York.

23 q Eventually that morning, did you board a private
24 plane to go to New York for Defendant Blagojevich's
25 fundraiser?

Cari - direct by Schar

1796

1 A Yes, sir.

2 q who was on the plane with you?

3 A The Governor, John Wyma, Bradley Tusk, Stuart
4 Levine, Chris Kelly, myself, there may have been
5 some security people.

6 MR. SCHAR: Judge, I have Government Exhibit
7 Integrated Flight Group which I would like to move
8 into evidence pursuant to a 90211 certification.

9 THE COURT: Admitted and you may publish it.

10 MR. SCHAR: Thank you.

11 (Government's Exhibit Integrated Flight Group
12 was received in evidence.)

13 MR. SCHAR: May I approach?

14 THE COURT: You may.

15 (Exhibit published to the jury.)

16 BY MR. SCHAR:

17 q Mr. Cari, are you looking at an invoice from
18 Integrated Flight Resources to Stuart Levine?

19 A Yes, sir.

20 q At the top portion it indicates October 29, 2003?

21 A Yes, sir.

22 q With an invoice cost for the flight approximately
23 of \$13,205?

24 A Yes, sir.

25 q Where does it indicate that the plane was going?

Cari - direct by Schar

1797

1 A To Teterboro, New Jersey which is a small private
2 airport right outside of New York City.

3 q If we could move to Page 2 of the exhibit.

4 Does this indicate who is on the plane?

5 A Yes.

6 q Is that Governor Blagojevich?

7 A Yes.

8 q Stuart Levine?

9 A Yes.

10 q Yourself?

11 A Yes.

12 q Do you remember Hurtgen?

13 A No. Nick was not on that flight.

14 q Bradley Tusk?

15 A Yes.

16 q Mr. Wyma?

17 A Yes.

18 q Chris Kelly?

19 A Yes.

20 q And do you know who know who Joe Morrero is?

21 A I know there was somebody else, I don't know if
22 that was his name.

23 q And was the other individual part of the detail?

24 A Yes.

25 q And when I say "the detail," for Rod Blagojevich?

1 A For the Governor. Yes, sir.

2 MR. SCHAR: May I have one moment, Judge.

3 (Brief pause).

4

5 BY MR. SCHAR:

6 q During the plane ride --

7 Incidentally, was this the first time you met
8 Defendant Blagojevich or had you met him before?

9 A We had met before.

:43PM

10 q When had you met him or how had you met him?

11 A I know he came to my law office in Chicago about
12 when I think he was running for the U.S. Congress.

13 q During the plane ride, did you have a
14 conversation with Defendant Blagojevich?

:43PM

15 A I did.

16 q Where were you sitting?

17 A When the conversation happened, I was sitting to
18 the Governor's right.

19 q Was anyone else present from the conversation?

:43PM

20 A Other than the people sitting behind us, no.

21 q How did the conversation with Defendant
22 Blagojevich start?

:44PM

23 A Very amicably; general conversation. We both
24 enjoyed reading history books and biographies, and
25 then it segued into the Presidential election of

1 2000.

2 q And is that Presidential election 2000 that you
3 briefly described?

4 A Yes, it is.

5 q what did you and Defendant Blagojevich discuss at
6 that point?

7 A Discussed what happened in Florida and started
8 talking about the financial aspects of raising money
9 for -- on such a large scale for a Presidential
10 election.

11 q what, if anything, did Defendant Blagojevich tell
12 you about his aspirations on a larger scale?

13 A That he had aspirations to run for the Presidency
14 some day.

15 q what did he say next?

16 A That he thought that one of the reasons that
17 President Clinton was successful in running a
18 Democratic primary was that he was a sitting
19 Governor and as a sitting Governor he had access
20 to -- that he had an ability to raise a lot more
21 money than a sitting U.S. Senator.

22 q what did he say next?

23 A That as a sitting Governor, that you're giving
24 out contracts and legal work and consulting work, et
25 cetera, and that you can go back to those people and

Cari - direct by Schar

1800

1 raise money.

2 q what, if anything, did he tell you about the
3 people who would assist him in that endeavor?

4 A He was very clear that Mr. Kelly and Mr. Rezko
5 were the two point people for him, very close
6 friends, and that they were the two people that he
7 relied on.

8 q what, specifically, did he indicate, if anything,
9 to you that he could hand out in exchange for
10 contributions?

11 MR. GILLESPIE: I'll object.

12 MR. SCHAR: I'll rephrase it, Judge.

13 BY MR. GILLESPIE:

14 q what, if anything, did he indicate to you that he
15 could hand out?

16 A Contracts for consulting work, contracts from
17 legal work, investment banking work, allocations
18 from pension funds, et cetera.

19 q what did you understand Defendant Blagojevich to
20 be telling you, Mr. Cari?

21 MR. GILLESPIE: Objection.

22 MR. SCHAR: Judge, that's his understanding
23 of the conversation.

24 THE COURT: Overruled.

25 BY MR. SCHAR:

Cari - direct by Schar

1801

1 q what did you understand Defendant Blagojevich to
2 be telling you, Mr. Cari?

3 A That he would be giving out state business and
4 would go back to those people for contributions.

5 q what, if anything, did he ask of you?

6 A He asked if I would be interested in helping him
7 in putting together a national fundraising
8 organization.

9 q what was your response?

10 A No.

11 q what, if any, explanation did you give him as to
12 why you were not interested?

13 A There were several reasons, the most important
14 was my wife that had just passed. I was having a
15 very difficult time going on with my life. I just
16 did not have any interest.

17 I also shared that my involvement in politics
18 and my ability to help is really on a national
19 level, never really been involved at state level. I
20 know the rules and regulations in terms of raising
21 money on a national level, on a state level the
22 rules and regulations of the law is completely
23 different and that I just didn't feel that I had
24 that kind of an expertise.

25 q How did the conversation end?

Cari - direct by Schar

1802

1 A It ended that he wanted me to talk to Mr. Kelly
2 or Mr. Rezko.

3 Q Did he indicate, if anything, that they would
4 follow up with you?

5 A Yes, that one of them or both of them would reach
6 out to me and have a further dialogue or
7 conversation about what we just spoke about.

8 Q Do you think you could identify Defendant
9 Blagojevich if you saw him again in court today?

10 A Yes.

11 Q Do you see him in court today?

12 A I do.

13 Q Where is he?

14 A The gentleman right over there (indicating).

15 Q He just put his hands up?

16 A Yes.

17 MR. SCHAR: Judge, may the record reflect
18 Defendant Blagojevich was identified by Joe Cari?

19 THE COURT: The record should so reflect.

20 Q Where did the plane land?

21 A In Teterboro.

22 MR. SCHAR: Judge, I am about to segue into
23 what happened and ask if this would be a good time
24 to break.

25 THE COURT: We will adjourn until 9:30

1 tomorrow morning.

2 THE MARSHAL: All rise.

3 (The following proceedings were had out of the
4 presence of the jury in open court:)

5 THE COURT: The witness may step down.

6 (Witness temporarily excused.)

7 THE COURT: Be seated in the courtroom or
8 leave, take your choice.

9 Counsel, approach the lectern.

10 (Brief pause).

11 THE COURT: I'm looking at the motion. Does
12 somebody have the motion in hand?

13 MR. S. F. ADAM: We just got it, Judge. We
14 haven't had a chance to read it.

15 THE COURT: Well, turn to Page 10.

16 Looking at the point labeled "Adam," did you
17 actually say this? You want to read it?

18 MR. ADAM, JR.: No, of course I did, yes,
19 your Honor. I do not accuse them of making up the
20 statement, Your Honor.

21 THE COURT: Okay. Since we are in open
22 court, I won't make comment on the accuracy of
23 fairness of your statement.

24 MR. ADAM, JR.: Yes, your Honor.

25 THE COURT: But this is a source of some

1 concern to me, and the reason it's a source of some
2 concern to me has to do with, in some respects, how
3 we get our news today. And the difficulty we have
4 with respect to controlling access to it, part of
5 the reason is is I've noticed when I've watched
6 television news, they do the same thing that modern
7 films do, they use fairly quick cuts, perhaps in a
8 desire to imitate MTV style, not quite as fast but
9 pretty quick, which leaves the problem of somebody
10 actually not being able to avoid hearing the
11 commentary because you turn on the television. And
12 it's, I think, pretty much okay in many cases, if
13 you start watching the news when it begins because
14 they sort of tell you when something is coming up,
15 but even then sometimes you'll hear a lead-in that
16 basically has the substance of it. So even a juror
17 who is trying his or her best to stay away from this
18 stuff gets exposed to it.

19 Now, I don't much care that the jury gets
20 exposed to something that happened in court because
21 the juror has already seen it, but that's not the
22 part that bothers me, the part that bothers me is
23 argument and interpretation.

24 I don't mind a lawyer giving a more or less
25 accurate summary of what a witness may have

1 testified to, although there's enormous risk in that
2 because it may not be all that accurate. And the
3 one thing I think I can enforce under the law, even
4 if I were barred from all prior restraint, is the
5 requirement of absolute accuracy in attorney
6 comments.

7 with respect to the defendant, what I read
8 here, the Defendant Rod Blagojevich --

9 MR. S. F. ADAM: May I ask what page, Your
10 Honor?

11 THE COURT: Back on 10. Back on 10.

12 I think it's essentially a kind of backhanded
13 plea for sympathy, plus an argumentative
14 characterization of the witness entirely without
15 details. And, in fact, virtually everything that
16 I've read in court papers about what one particular
17 defendant has said is absolutely devoid of details.
18 And it concerns me that this is an appeal to a form
19 of defense that the law specifically excludes.

20 when we instruct juries at the end of the
21 case, the standard instruction is you must not let
22 sympathy, prejudice, and there's a few other things,
23 influence your verdict. Some of the things the
24 prosecution raises in these papers are statements
25 made, sufficiently enough in the past that I'm not

1 particularly concerned about them, in which one of
2 the lawyers raised as potential defenses those
3 things which are not defenses, and raised issues
4 that if they are to be presented to anybody, they
5 are to be presented to me and not to the jury. And
6 my assumption is that that hasn't happened since, so
7 I'm not terribly concerned with that because time
8 will pass by the time we get to the verdict, but the
9 appeal to sympathy is also part. We say that quite
10 specifically, and we say that for very good reasons,
11 not only because it's legal, a law that you can't
12 rely on sympathy, but because sympathy is a weapon
13 that can be used by both sides. And when it's used
14 by both sides, it's going to be equally appealing to
15 the emotions, and you're not supposed to appeal in
16 the emotions.

17 So I have the one passage I have read here
18 that's been presented to me is, essentially, an
19 appeal to sympathy, which is something you're not
20 permitted to do with the jury. So I have
21 significant concerns.

22 There are two ways, or maybe three, that we
23 can address this. The first is is that parties can
24 sit down with each other and see if we can have some
25 kind of agreement as to what somebody might say, and

1 that would be helpful to me because the last resort
2 that I have is an order barring parties and lawyers
3 from speaking.

4 The second thing, which I think is not common
5 in federal courts but I believe there's some state
6 courts that have said under these circumstances that
7 they are going to apply a right to reply rule, that
8 is the last thing I would like to do except maybe a
9 bar order, which is to say to the prosecution if you
10 think the defense lawyer has done a stand-up before
11 the cameras and said something that is outrageously
12 wrong, you can get up in front of that and do your
13 own stand-up despite whatever the Department of
14 Justice regulations are and at least make a
15 corrected reply.

16 There's an old doctrine called fighting fire
17 with fire, you don't see that much, but it's still
18 around which basically says that if one side makes a
19 ugly misrepresentation of the evidence, the other
20 side is entitled to make an equally ugly
21 misrepresentation of the evidence. I don't want to
22 get there, I don't want to come even close.

23 I, therefore, will start first with some kind
24 of lawyerly agreement of what kinds of things can be
25 said and what kinds of things can't be said. If you

Cari - direct by Schar

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1 can't reach that, you can make competing arguments
2 to me and I can give you my own guidelines, and we
3 can deal with the effect of the possibility of a bar
4 order.

5 I am pleased that the issue has been raised
6 early, because I don't think anything anybody has
7 said now is going to have much of an effect of any
8 kind, but I would be concerned about things said in
9 the last three or four weeks of this case. So to
10 perhaps avoid that issue and avoid my having to face
11 it, you can talk amongst yourselves and you can tell
12 me what you think on Monday morning.

13 In the interim, I urge everyone, including
14 the parties in this case, to exercise some
15 discretion at least for the next few days before we
16 sort this out.

17 what's up tomorrow?

18 MR. SCHAR: Judge, I believe we'll finish
19 with Mr. Cari. I don't have a sense of cross
20 examination, but next will be Jill Hayden after that
21 Ali Ata.

22 THE COURT: Okay.

23 MR. SCHAR: That certainly would take us
24 through the day.

25 THE COURT: Okay. That will take the day?

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1 Everybody is agreed?

2 MR. SCHAR: Yes, Judge.

3 THE COURT: See you in the morning.

4 MR. SCHAR: Oh, Judge, I see no objections to
5 the release of whatever came in today.

6 MR. NIEWOEHNER: Judge, there is one issue
7 with that. I realized today that there is some
8 description of a Mickey Siegel indictment in one of
9 the contracts, can we redact that?

10 THE COURT: Yes, you will redact that.

11 MR. NIEWOEHNER: Thank you.

12 MR. SOROSKY: 9:30, Your Honor?

13 THE COURT: 9:30.

14 (Adjournment taken from 5:02 o'clock p.m. to
15 9:30 o'clock a.m. on June 17, 2010.)

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I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT
FROM THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED
MATTER

/s/Blanca I. Lara

date

Blanca I. Lara

Date